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**The Nation's Business**

- The Tax Enquiry
- Terms of Reference Should Be Published
- C.I.O. Finds Progress Slow in Canada
- Public Opinion Turns Against Lewis Bid For Labor Control

### Let Public Know Terms of Enquiry

THE Globe and Mail, Toronto, urges the Dominion Government to state the terms of reference of the forthcoming Royal Commission on the financial relations of the Dominion and the provinces. However unavoidable the delay in the appointment of the chairman and other members of the commission, the public should at least be apprised of the ground the enquiry will cover.

The suggestion is an excellent one. All over Canada, provincial governments, municipalities, boards of trade and other public and semi-public bodies are preparing briefs to submit to the commission. These special studies are to be welcomed and will be of inestimable value to the probers in their work of determining upon a better financial set-up for Confederation. But it is already apparent that a great deal of confusion exists as to the boundaries of the enquiry.

In some provinces, experts have been engaged to study the relationship of the tariff, transportation and economic disabilities to the financial problems of government. It may be that the commission, when appointed, will bar out anything but the most general consideration of purely economic problems and will concentrate upon questions of public revenues and their disbursement. If this is to be the case—and the subject is certainly a large enough one for any commission—the Government should indicate as much.

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THERE seem to be grave difficulties in obtaining the right men for the commission, particularly as the decision seems to have been reached to compose it solely of Canadians and without British or American associates. The appointments have already been too long delayed. But the time that must elapse before the commission can get to work may be well used by those who desire to offer constructive suggestions or penetrating analyses of their own problems. To give point to such studies, to make them truly useful, it is essential that they be made to conform to the pattern of the commission itself.

If we cannot have the names of the commissioners, let us at least know what they are going to enquire into.

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### C.I.O. Loses Out In Public Favor

THE Committee for Industrial Organization has not got very far in Canada. Considering the brash pretences of its earlier threats, its progress in "organizing the unorganized" in Canada has been very slight.

In the United States, public opinion has swung sharply around and John L. Lewis and his cohorts have sunk to a low point in general esteem. Now the clock-work Napoleon of last winter has gone almost into hiding to avoid the appearance of being on the defensive before the court of press and political opinion.

The Lewis organization made a number of serious mistakes that have counted strongly against it.

* * *

ITS first mistake was that of using force and violence in the hope of achieving overnight dominance in American labor. The American people are long-suffering under gangsters but always turn against them in the long run. Lewis's men were too free with their guns and bombs, too reckless in defying the guardians of peace and order. It cost them much public favor.

A second mistake made by John L. Lewis was in attempting to dictate to the politicians. The politicians, many of them, were cowed for awhile. But when it began to appear that John L. Lewis's ultimate aim may have been to set up a dictatorship in the country, even the politicians decided he was too dangerous a man to support. They turned against him.

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A THIRD mistake was in failing to create a spirit of discipline within the ranks of the C. I. O. unions. Lewis sent his leaders out to swagger and threaten and then expected them to come down to earth and act like decent citizens when they had browbeaten employers into signing agreements. But these petty labor sergeant-majors lost their heads. Unauthorized strikes by the hundred have marred the operation of nearly all "agreements" signed with C. I. O. unions.

Certainly a major reason for general public distrust of the labor unions affiliated with the Committee for Industrial Organization is the lack of responsibility shown by them. Their agreements are of little value since there is either an unwillingness on the part of the leaders to stand by them or an inability of the leaders to control the rank and file of workers.

This has been demonstrated in the

(Continued on page 2, col. 4)

# Narrow Profit Margin Shown For Air Lines

## Canada's Freight Business Leads World But Yield Is Slim

### MAILS FALL OFF

Though a greater volume of air freight is carried in Canada than in any other country, the margin of profit of Canadian air transport enterprises is so narrow as to leave many concerns with little if any yield on investment after meeting all obligations. And passenger traffic fell off sharply last year.

This is evident from civil aviation statistics for 1936 issued by the Dominion Bureau of Statistics. Gross operating revenues of commercial air transport companies in Canada last year are set at slightly in excess of $2.5 millions and operating expenses at approximately $2.4 millions, leaving net operating profit at $100,000 or about 4%.

The Bureau estimates that $4.6 millions was invested in commercial aviation last year, which means that net operating profit constituted a yield of very little over 2% on invested capital. These figures, however, make no allowance for depreciation, interest or dividend payments, indicating that the majority of companies either operated at a loss or did little better than break even.

For example, operations of Canadian Airways Ltd. accounted for 38% of the mail, express and freight transported by commercial companies last year, and absorbed 40% of the gross operating revenue total set by the D.B.S. for all companies. Its net operating profit was 5% in relation to gross revenue, yet allowance for depreciation and interest produced a deficit for the year of nearly $100,000 and boosted the cumulative deficit of $1.3 million.

**No Dividends Paid**

Even companies that had a profit after meeting obligations, such as Wings Ltd. and Mackenzie Air Service Ltd., paid no dividends, but held net earnings as reserve or surplus or ploughed them back into operations. Profits of privately controlled concerns, such as General Airways, are understood also to have been achieved only by stringently careful operating supervision.

Air operators believe that the position of successful air transport enterprises will be made more comfortable financially with the extended development of schedule services, particularly interurban. It is regarded as difficult, if not impossible, however, to make such operations pay without air mail contracts or a government subsidy.

Volume of air mail carried last year fell off slightly, being 1,107,060 pounds in comparison with 1,126,084 pounds in 1935. Air freight and express total jumped, however, from 17.6 million pounds in 1935 to 22.9 million pounds last year, leaving a net increase of 28% in the volume of air freight and mail carried. The total of air freight carried by commercial and provincial government aircraft was 25.3 million pounds, a striking contrast with the United States total of 6.9 million pounds. The huge Canadian figure is attributable to transport of freight, express and mail into the mining districts.

**Air Mileage**

Commercial air mileage for 1936 in Canada is estimated by the D.B.S. at 7.1 million miles, and the total of passengers and crew carried at 115,834. The 1935 figures were 7.5 million miles and 177,472 persons carried. Licensed civil aircraft, including machines operated by commercial concerns, flying clubs, Dominion and provincial governments, rose from 380 to 450.

Canada's record of air safety is not as impressive. Last year the number of passengers killed in aviation accidents was equivalent to one for every 1.4 million passenger miles flown, whereas the United States record in this regard for 1936, even with the numerous crashes of air transports, was only one passenger fatality for every 9.5 million miles flown. In 1935, American air companies achieved a record of only one fatality for every 29 million miles.

### N. B. Power Board Opening Up New Section

From Our Own Correspondent

MONTREAL.—New Brunswick Electric Power Commission expects to be in a position to supply electricity to the Tracadee section of the North Shore, north of Newcastle, before the end of the month.

Already more than half of the 50-mile service is nearly completed.

# World-Famous Savant To Write For The Post

In 1928, when all was booming, Sir George Paish forecast the complete collapse of world prosperity and the most severe financial and trade crisis in history. He was laughed at, but within a few years the world knew how wise his forecast had been.

Now the internationally famous British economist has surveyed the world again. "The world situation is one of unprecedented danger," he says. Yet it would be possible to turn off the road that leads to war and chaos and ensure the peoples of the world of the greatest period of scientific advance and trade prosperity ever known.

Under the title of "The Way Out," Sir George Paish has written a challenging discussion of the world problems and the manner in which they can be remedied. Later to be published in book form, they will appear first and exclusively in The Financial Post, which has purchased the rights of reproduction.

SIR GEORGE PAISH

There will be five striking articles, bound to capture the imagination of statesmen and public. The first will appear next week in The Financial Post. The other four will follow in successive issues.

A former editor of the Statist and economic adviser to the British treasury, Sir George has, in recent years, devoted his time to special official and unofficial missions for the British Government and to writing and lecturing.

Gathering material for his new series of articles, Sir George recently visited Canada and one feature of the series will be a discussion of Canada in relation to world prosperity.

# Fairchild Gets Order For Military 'Planes

## Report Says $2 Millions Involved in Equipment Deal

### BOMBING MACHINES

From Our Own Correspondent

MONTREAL.—Fairchild Aircraft Ltd. has received a large order for Bristol military airplanes from the Canadian Government, The Financial Post is advised on reliable authority.

While details are not yet available and no official announcement is expected for at least a week, it is believed that total purchase will be in the neighborhood of $2 millions and calls for supply of 18 or 20 bombing machines. The order will be filled on a cost plus basis.

Contrary to earlier reports, these planes will not just be assembled by Fairchilds in Canada but will be completely manufactured and equipped. The company has just been appointed manufacturing and selling agent for Bristol engines and aviation equipment in this country.

**Plant Well Located**

The company's plant is on the outskirts of Montreal at Longueuil, near the Canadian terminus of the new overseas air route from Ireland. The factory was completed in 1930 and site includes both landing field, seaplane base and railway connections.

It is suggested that this order through Ottawa may be for the British Government, which has been anxious to develop airplane manufacturing facilities throughout the Empire and is finding it difficult to obtain deliveries of military planes for its rearmament programme. Opinion here, however, inclines to the belief the order is for the Canadian Government to implement its own expanded defense programme, and that arrangements for manufacture of British-type planes here were made in co-operation with the British authorities.

**Uniformity of Equipment**

It has been publicly stated on various occasions that Canadian and British authorities collaborated in drafting the Canadian defense plans, and that every effort is being made to bring about uniformity of equipment and facilities of defense forces throughut the Empire.

Importance of the order to the company is indicated in previous sales which were $206,900 for the year 1935 and somewhat less than $400,000 for 1936.

Fairchild Aircraft Ltd. has 120,000 shares of $5 each outstanding, including 30,000 shares offered at $6 each late in 1936. The company had a loss of $9,214 after all charges in 1936, compared with losses of $46,325 and $28,007 in 1935 and 1934 respectively. As at Oct. 31, 1936, the company's working capital was $8,369, but was increased substantially by the subsequent sale of 30,000 shares.

### Court Approves Soo Hotel Sale

Action of holders of the 6½% first mortgage bonds of Windsor Hotel of Sault Ste. Marie, Ltd., in voting to accept an offer for the purchase of the property under judicial sale proceedings, has been given court approval.

Bondholders will receive approximately 38 cents on the dollar for their bonds which have been in default since June 1, 1933. Actual purchase price will amount to approximately 40 cents on the dollar but deduction of expenses is expected to reduce the amount which bondholders will receive. Nothing will remain for distribution to holders of preferred or common stock but general creditors will be paid in full.

# C. I. O. Union Meets Defeat

## Majority of Strikers Vote to Return to Work

From Our Own Correspondent

VANCOUVER. — Strike of the Cariboo Gold Quartz and Island Mountain mine workers was definitely ended July 29 when most of the remaining members of the Wells local of the C.I.O. affiliate, Mine, Mill and Smelter Workers Union voted to return to their jobs.

So far as is known, only about a dozen of the men who struck at Cariboo Quartz are still out. Sixty former employees of Island Mountain signed a petition asking for reinstatement, and their spokesmen conferred with President F. W. Guernsey at Wells. It is probable that decision to reopen Island Mountain will rest with head office of Newmont Corporation in New York, the parent company.

Managing Director R. R. Rose, of Cariboo Gold Quartz, said that efforts would be made to restore operations to full capacity within a week. The mine has been operating at part capacity since 100 men returned to work several weeks ago.

Sinking of the No. 2 shaft to the 1,800-ft. horizon will be pushed ahead as rapidly as possible. The new electrically operated hoist for the No. 1 shaft, already on the ground, will be installed immediately and similar equipment for No. 2 shaft will be ready in the next couple of months.

The co-operative committee organized along the lines of Consolidated Mining & Smelting Company's labor body will continue to function, and it is hoped that through this medium the management and men will be kept in closer contact with each other.

# Highlights

**The German Paradox**
Unexcelled as hosts but still purging the nation of resistance against the Nazi régime, Germany continues its drive toward economic self-sufficiency. Page 9

**Building Mining Roads**
Work being done across Canada in extending roads into mining districts is reducing costs of mine operation. Page 15

**Chilean Bonds**
Some increase in interest payments is possible over the next few years but non-acceptance of 1935 scale of payments is recommended. Page 3

**Welfare Schemes**
Canadian employers have adopted a wide variety of plans to assist workers and an increasing number recognize need for doing more than pay a minimum wage. Page 16

**C.I.O. Balked**
In spite of rapid expansion in membership, the C. I. O. is still far short of its goal and has begun to lose power in Canada. Page 9

**Stable Newsprint Policies**
Ontario and Quebec seek to develop plans to prevent depression history from repeating in the newsprint industry. Page 8

**Regulating Mine Finances**
Do the developments of the past five years indicate bureaucracy or horse sense in financing mining prospects? Page 14

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### U. S. Loblaw Sales Good

#### R. S. McPherson, Toronto, Added to Board at Annual Meeting

Sales and earnings of Loblaw Groceterias Inc., operating in the United States for the current fiscal year are keeping to approximately the same level as in the year ended April 30, 1937. In that period the company earned $6.54 a share on its preferred stock.

Between $400,000 and $500,000 has been received since the close of the last fiscal year from the sale of a warehouse in Chicago, with a corresponding improvement in liquid position.

R. S. McPherson was added to the board of directors at the annual meeting and the following officers elected: F. K. Morrow, pres.; J. R. Peachey, vice-pres. and gen. mgr.; S. G. Score, vice-pres. and director of stores; C. S. Greene, sec.

Loblaw Groceterias Inc. has outstanding 31,851 preference shares and 63,036 common shares. Loblaw Groceterias, Ltd., the Canadian company, own 2,841 shares of preference stock and 28,600 common shares.

# Big Holders Abitibi Bonds Favor Plan

## Over $20 Millions Already Indicated as Approving

### CRITICISM DIVERSE

Campaign for bondholders' votes on the bondholders' committee's plan is the next stage toward reorganization of Abitibi Power & Paper Co. and termination of the five-year receivership.

There is a total of $48,267,000 of bonds outstanding. A clear majority in favor of the bondholders' plan would be $24,135,000 of bonds, although the committee is anxious to have a larger vote in favor if possible.

Some $16.4 millions of the bonds are on deposit with trustees and the greater part of this block will vote in favor of the plan because most of the deposited bonds are represented on the bondholders' committee. The biggest blocks among these are $5 millions held by the Sun Life Assurance Co., and $7.2 millions among members of the Dominion Mortgage and Investments Association such as the London Life Insurance Co., Mutual Life Assurance Co., Canada Life Assurance Co. and other major Canadian investors.

**British Support**

Other large blocks totalling over $6 millions are understood to favor the scheme. This includes holdings of over $4 millions among members of the British Association of Investment Trusts and large blocks among investment firms such as Royal Securities Corp.

There is a wide distribution of Abitibi bonds in the United States, and there are reasons for believing that larger American holdings will approve the plan.

All told, there appears to be over $20 millions of bonds in favor at the outset.

**Contrary Votes**

Only bondholders' votes will count at the meeting on Oct. 15, but contrary votes are expected from large shareholder groups such as Wood, Gundy & Co. and Lord Rothermere's interests, who are also bondholders.

A group of Winnipeg bondholders is forming a committee in opposition to the official plan of the bondholders' committee. Personnel is to be elected Aug. 11, and tentatively the Winnipeg group is headed by W. E. Gower of Melady Sellers & Co,. grain and investment firm. The chief criticisms of the official committee's plan outlined for The Financial Post by the Winnipeg group are:

**Basis of Objection**

1. If income is to be paid on all new bonds it is assuming an unwarranted increase.

2. Bondholders are being asked to take a junior position without adequate compensation.

3. Half the funds required for plant rehabilitation might be obtained from earnings without capitalizing it.

4. Bondholders are asked, in effect, to give a 15-month option on the business to shareholders and this should be reduced to three months.

5. Granting of rights to shareholders to buy additional stock at $17.50 a share without giving equally as good a price option to debentureholders is not reasonable.

**Varying Views**

The opposition of the Winnipeg group may be said to be in criticism of too generous terms for shareholders under the official bondholders' committee's plan. In contrast, criticism of the plan by the liquidator of the company and by Wood, Gundy & Co. and Rothermere interests is largely on the ground

(Continued on page 2, col, 3)

# Crop Failure Offset By Bright Forecast For Farm Income

## Larger Revenue Than in 1936 Predicted for Prairies

### HOPEFUL OUTLOOK

From Our Own Correspondent.

OTTAWA.—Federal appraisers of the crop disaster which has overtaken western Canada this year, while not minimizing the extent of that catastrophe, are refusing to take an inordinately pessimistic view of the outlook for business in the Prairie Provinces, as compared with the past year.

It is true that the wheat crop is lighter—probably the lowest yield per acre in 25 years. Notwithstanding this fact — and paradoxical though it may seem—the farm income for the three Prairie Provinces, main source of the area's purchasing power, is likely to record a substantial increase over last year.

The unofficial estimate here is that the figure will be in the neighborhood of $334 millions, as compared with $258 millions for last year.

**Compensations for Failure**

The reason an increase in prairie farm income is being forecast for the present year lies in the fact that there are compensations for the crop failure. One obvious one is an improvement in prices. Another is an increased yield from livestock and dairying.

Furthermore, the present prospect is that the earlier estimates of complete crop failure may yet be revised upward. Late rains have accomplished wonders for fields which were regarded as beyond saving.

As Federal statisticians see the outlook for the present season, as compared with a year ago, it may be expressed by the table below. The figures are necessarily approximate. In the case of wheat a price of $1.30 per bushel is used as one which it is not unreasonable to anticipate unless the present market weakness continues longer than expected. The dairying and livestock figures refer only to produce which the farmer marketed, and do not include the value of commodities produced but consumed on the farms.

Prairie Farm Income

| | 1937 $000's | 1936 $000's |
|---|---|---|
| **Alberta:** | | |
| Wheat | 104,500 | 58,960 |
| Livestock | 30,200 | 26,600 |
| Dairying | 8,500 | 6,700 |
| Total | 143,200 | 92,260 |
| **Saskatchewan:** | | |
| Wheat | 91,000 | 103,000 |
| Livestock | 20,000 | 16,000 |
| Dairying | 8,600 | 7,500 |
| Total | 119,600 | 126,500 |
| **Manitoba:** | | |
| Wheat | 52,000 | 24,640 |
| Livestock | 10,700 | 8,500 |
| Dairying | 8,500 | 6,700 |
| Total | 71,200 | 39,840 |
| Grand total | 334,000 | 258,600 |

### Montreal Power Gains 14.88% in Electricity

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat & Power Cons. reports electricity output of 89.7 million kw.h. in July, 1937, compared with 78 million kw.h. in July, 1936. This is an increase of 14.88% and the largest monthly gain reported for some time.

Cumulative output for the first seven months of 1937 is 656 million kw.h., compared with 609 million kw.h. in the same period of 1936.

Gas output declined 5.04% in July, 1937, compared with a year earlier. Actual output was 370 million cu. ft. in the 1937 month. For 1937 to date 320 million cu. ft. of gas has been produced, a decline of 2.75% from the same period of 1936.

### St. Lawr. Paper Outlook Brighter

From Our Own Correspondent

MONTREAL.—Indications are that Lake St. John Power and Paper will more than earn the dividend on its preferred stock this year. If the regular rate is paid, all the distribution would go to St. Lawrence Paper Mills as owners of the entire issue. This would mean an income to St. Lawrence of $108,000 a year, or just under $1 a share on its own preferred stock.

# Late Rains Help Crops

## Prairies May Yield 200 Million Bushels of Wheat

From Our Own Correspondent

WINNIPEG. — Further general rains in practically every part of the Prairie Provinces have improved the wheat outlook even at this late date. There now seems to be some prospect of a total yield not far short of 200 million bushels.

Alberta prospects have particularly benefitted and up to an 80 million crop is now predicted as compared with under 70 millions two weeks ago. Saskatchewan estimates have been revised from under 50 millions during the height of the drought to a possible 70 millions.

**Manitoba Good**

Government authorities express the belief that the Manitoba crop has to a large extent beaten the rust, and that fairly good returns can be expected from fields where rust infestation was heaviest. Thatcher wheat, which has entirely escaped damage, may average 25 bushels to the acre. Durum wheat, which has largely resisted the rust, is expected by many observers to average well over 20 bushels. Total is expected to be between 40 and 50 millions which represents a very good yield for this province of the smallest wheat acreage.

**Other Countries Hit**

Crop news from other countries would appear to be bullish. Both Australia and Argentina report continued dryness, and some of the damage already done in Argentina is thought to be permanent, and not to be offset by later rains if received. In Germany, France and Italy actual harvest returns are said to be disappointing as compared with ideas of probable production recently prevailing. Rusian reports continue to suggest that there will be no surplus for export.

### Steel Co. Is Operating Plants at Full Capacity

In a letter to the shareholders accompanying the current dividend cheques, Ross H. McMaster, president, of The Steel Co. of Canada, states that steel making operations have continued at full capacity during the second quarter and new orders have almost equalled shipments, so far as the more important lines are concerned. Unfilled orders at June 30, 1937, were only slightly lower than at March 31, 1937.

Additional plant capacity will be provided by a new open hearth furnace which commenced production during the latter part of June. Progress with the new blooming mill has been satisfactory but it is difficult to forecast exactly when the work will be completed, Mr. McMaster states.

**GROWTH IN THE DROUGHT AREA**

This photograph was taken in the garden of Charles Wilson, Limerick, Sask., on July 20. In sending it to The Financial Post Mr. Wilson believed it more representative of conditions in the drought area than the photographs which have been reproduced in the eastern press. There is no well in the garden. It got a little water hauled a considerable distance with team and tank, perhaps a third of what it would have received from normal rainfall. Mr. Wilson says it illustrates what drought area land will do when it gets even a little water.

# Automobile Price Rise Move Begun

## Ford Initiates Trend With Advance of Almost 5 Per Cent

### OTHERS TO FOLLOW

Tension in automobile circles has been relieved by the official announcement of Ford price increases this week.

Most manufacturers hesitated to pass higher costs along to the consumer for fear that a competitor would not follow or would come out with a smaller raise. And the competitor most feared in connection with price policies was the one who has now spoken.

In recent years, of course, there have been price revisions both up and down following changes in sales tax or tariffs. There have also been changes when entirely new models have been introduced, but the recent move so far as The Financial Post is able to ascertain has been the first general raise on current models since the tail-end of the war boom almost 20 years ago.

**Less Than Expected**

The size of the Ford increase, about $30 on the most popular 85-horsepower two-door model or slightly under 5%, was rather less than expected. Something around 10% was freely predicted. The Financial Post understands that other motor manufacturers may announce revisions more in keeping with what was anticipated. They may, however, wait until the 1938 models are introduced late in the fall.

Delivered in Toronto the retail price of the big engine two-door Ford is now $874 as compared with $843 prior to Aug. 3. There is no change in equipment. Prices in the 65-horsepower lines have been increased slightly more. There is no change in light commercial and truck models.

**Significant**

At this season of the year when motor sales are slackening, the change is only significant in that it will probably establish the trend for the new 1938 models which should be available early in October. So far as Ford is concerned the new prices are expected to be applied to the new models, provided, of course, there are no unexpected developments in costs in the next few weeks.

As a matter of fact, manufacturing plants are now being groomed for the production of the 1938 models. Parts and other supplies have been ordered. Most companies have labor contracts covering the production period of the 1938 cars. Nothing much short of an outbreak of war is expected to disturb manufacturing costs in the next six months. In the last six months, however, there have been very large increases in the cost of labor and materials.

Vital changes in the coming models this autumn are not expected. There will probably be the usual differences in exterior designs. Some recent refinements such as elimination of conventional gear shifts may be more generally adopted. But current models are selling too well and depression losses to the manufacturers are still too recent for any general embarkation on radical changes in engines and other vital parts.

Such programmes involve plant and machinery capital expenditures running into millions of dollars. Outlays of this kind were made between 1932 and 1936 when a general reorganization of motor manufacturing facilities took place.

# Montreal Firm Faces Charge

## Accused of Issuing False Data on Scott Chibougamau

Officials of the mining securities firm of R. P. Mills and Co. will be tried Aug. 18 in Montreal on two charges of violation of the Securities Act of Quebec.

It is alleged the firm broke the law in causing to be published in two Montreal newspapers "false and unfounded" information regarding stock of Scott Chibougamau Mines, and had information published intending to "lead the public to believe 650,000 shares of stock of Scott Chibougamau Mines had been sold at a price of 25 cents a share, which information was false and unfounded."

According to one charge, the information published purported to be quotations on the price for which the stock was offered and the bid price. The company, the charge continues, "did thereby follow a course of conduct employed to deceive the public as to the actual value of the shares of stock of the said Scott Chibougamau Mines, and did thereby commit a fraudulent act."

The alleged offences, the accusations state, occurred between Dec. 11, 1936, and March 17, 1937.

### Sherritt Starts Mill New Vein Reported

Sherritt Gordon Mines, Manitoba base metal property, received power for its mill on Aug. 1, and has started on a trial run at 500 tons daily, The Financial Post is reliably informed from the field. Unofficial reports state that a new vein, reputedly 40 ft. wide, and the richest to date, was discovered while blasting for the water line on the main street of Sherridon, between the town and the east shaft. The new discovery is being drilled, this report states.

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# Canada Bars War Exports

## Government Prohibits Arms Shipments to Spanish Points

From Our Own Correspondent

OTTAWA.—Apparently dissatisfied with the existing state of non-intervention arrangements by the European powers and unwilling to trust to them for insulation from the Spanish conflict, the Mackenzie King Government has announced its own non-intervention policy. The main features of it are the prohibition of the export of arms or war supplies to either side, and the prohibition of the enlistment of Canadian nationals under the standard of either the Loyalists or General Franco.

The prohibition of the export of war supplies to the area of conflict is to be made effective by a permit system effective July 31, the machinery of which is best described by quoting the terms of the order-in-council itself:

(1) "No person shall export any of the articles enumerated and described in the annex hereto without first having obtained a permit issued by, or on behalf of, the Minister of National Revenue.

(2) "Applicants for permits shall furnish in respect of each proposed shipment for export information in writing in the manner and form approved by the Minister of National Revenue, setting forth details as to seller, purchaser, consignor, consignee, description, quantity, value and specific purpose of the proposed shipment or of the articles proposed to be exported.

**Restriction of Permits**

(3) "Export permits shall be issued to applicants furnishing the required information in all cases except those in which the issue of such permits or the exportation of the articles proposed to be exported would contravene a prohibition, restriction, regulation, condition, or exception prescribed by law or by order of the Governor-in-Council.

(4) "Export permits issued hereunder shall not be transferable and shall be subject to revocation at any time without notice."

**Articles Covered**

The articles specified in the annex to the order-in-council are "arms, ammunition, implements or munitions of war, military, naval, or air stores, or any articles deemed capable of being converted thereinto or made useful in the production thereof."

The prohibition of export applies to the Spanish peninsula, the Balearic Islands, the Canary Islands and towns and territories under Spanish sovereignty in Africa.

# The Nation's Business

(Continued from page 1)

case of General Motors Corporation in the United States. The United Automobile Workers of America and the General Motors Corporation signed an agreement on Feb. 11 last. This agreement settled the then-existing strike and supposedly guaranteed the company against any further labor trouble.

The company has kept its part of the bargain but the union has not.

* * *

IN HIS report on second quarter operations, Alfred P. Sloan, chairman of the board of General Motors Corporation, states that unauthorized strikes have prevailed generally ever since the agreement was signed. In fact, he says, from the date of the agreement to the end of the half year, there were only 10 working days without interruptions. He says:

"It is perfectly evident that what has happened was occasioned through inability on the part of the union leadership involved to control their own followers. Whatever the cause may be, the facts demonstrate beyond any reasonable doubt the worthlessness of an agreement if the procedure created to stop strikes is ignored and wild-cat or unauthorized strikes result. It cannot be said that so far the United Automobile Workers of America have proved themselves to be a responsible body, with ability to live up to their contractual obligations . . ."

Obviously the failure of the C. I. O. unions to keep their word or stick by agreements, often wrested by force, is a factor in the current trend of public opinion away from the John L. Lewis organization.

* * *

A FOURTH serious mistake of the C. I. O. unions was their refusal to disown the free support and assistance granted to them by Communists and other agents of class warfare and industrial sabotage. These wrecking crews lined up with the C. I. O. in all their industrial disputes. Their assistance was apparently welcomed by Lewis and his associates. But Communism and anarchy are not indigenous to this new world. Nearly everyone is a property owner and an individualist at heart on the North American continent. Sprees of destructive radicalism cannot last long. Already defensive organizations are springing into being—some rabid and extremist themselves—but all evidencing the unpopularity of social sabotage.

All that the C. I. O. has accomplished for labor on this continent is to set back labor organization and arouse public distrust of labor leaders. Possibly the C. I. O. will in time learn some lessons and its future conduct may come to be marked by a greater respect for law abidance and a more sincere effort to achieve better working conditions for workers. But at the moment the C. I. O. has lost the respect of the public and is paying the price.

A survey of the present situation of the C. I. O. in Canada appears on page nine of this issue.

# Hedley Amal. Starts Again

## Norrie-Loewenthal to Investigate Future Holdings of B. C. Concern

From Our Own Correspondent

VANCOUVER.—Future policies of Hedley Amalgamated Gold Mines have been left in the hands of directors, and W. G. Norrie-Loewenthal, B. C. mining engineer, has been named chief executive officer of the company to investigate possibilities of the company's property and examine other mineral ground that may be acquired.

President J. Y. McCarter said that it was the hope of the directors to start again "from scratch." He admitted that the company was somewhat handicapped by the fact that the Government was retaining its books following the Securities Frauds Act investigation last spring and the charges of fraud laid against former President Russell Barker and Mine Manager William Cox, but he believed that the company, with $150,000 still in the treasury, should be able to carry on.

R. H. Stewart, who was engaged as consulting engineer after he had completed a check for the Government, reported that evidence of commercial ore was slight and advised against further development unless surface exploration indicated something better than had already been revealed.

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# August Dividend Payments Increased by $1 Million

Dividends to be paid by Canadian corporations in Aug., 1937, are almost exactly $1 million greater than in Aug., 1936. Total for the 1937 month is estimated by The Financial Post at $4,584,939 compared with $3,580,447 for the corresponding month of 1936. This is the twelfth consecutive month to show an increase over the corresponding month a year earlier.

Only two companies are paying extra dividends in August. Buffalo Ankerite has declared an extra of 7½ cents a share and Hollinger is paying an extra of five cents a share. Corporate Investors, which has raised its dividend rate from 5½ cents a share to 6½ cents a share, is the only company reporting an increase in its regular dividend rate.

Initial dividends are being paid on the preferred stock of Anglo-Canadian Telephone and Prudential Trust Co.

Payments on accumulated arrears are being made by four companies in Aug., 1937. National Grocers is paying $1.75 a share toward liquidating preferred arrears. Ontario Steel Products is paying the remaining $16 a share of arrears on its preferred. United Corp. is paying 75 cents a share on its class A stock, and Wood, Alexander & James will pay $1.75 on its preferred arrears.

Only company to pass its dividend in August is Canadian Converters which paid 50 cents a share a year ago.

**Summary of August Payments**

| | 1937 $ | 1936 $ |
|---|---|---|
| Dividends | 4,584,939 | 3,580,447 |
| Bond interest | 16,202,319 | 15,989,720 |
| Total | 20,787,258 | 19,570,167 |

**Dividend Payments**

| Company: | Rate $ | Date | Amount $ |
|---|---|---|---|
| Ang. Can. Tele., pfd. | *1.37½ | 2 | 49,912 |
| Assoc. Tel. & Tel., 6% pfd. | .42 | 16 | 19,821 |
| Do., 1st pfd. | .49 | 16 | 16,153 |
| Ault & Wiborg, pfd. | 1.37½q | 1 | 7,562 |
| Barker's Bread, c. | .08m | 3 | 1,760 |
| Beatty Bros., 1st pfd. | 1.50q | 1 | 15,000 |
| Blue Ribbon, pfd. | .50q | 1 | 14,925 |
| B. C. Tele., 2nd pfd. | 1.50q | 2 | 67,500 |
| Buffalo Ankerite | .12½q | 16 | 87,700 |
| Do., extra | .07½ | 16 | 52,620 |
| Calgary Power, pfd. | 1.50q | 2 | 90,000 |
| Can. Bronze | .37½q | 2 | 30,000 |
| Do., pfd. | 1.25q | 2 | 9,375 |
| Can. Investors | .10q | 2 | 10,000 |
| Can. Inv. Fund, sp. & ord. | .08q | 2 | 78,478 |
| Canadian Oil, c. | .12½q | 15 | 17,970 |
| Cons. Press | .25 | 1 | 12,500 |
| Coast Breweries | .27q | 2 | 48,685 |
| Corporate Investors | .06½q | 15 | 12,029 |
| Cosmos Imperial, c. | .25 | 14 | 25,000 |
| Crown Cork | .20q | 16 | 20,000 |
| Distillers-Seag., pfd. | 1.25q | 2 | 187,500 |
| Dominion Bridge | .30q | 14 | 134,183 |
| Frost Steel, 1st pfd. | 1.75q | 2 | 14,717 |
| Guelph Carpet, pfd. | 1.62½q | 1 | 8,125 |
| Gurd, Chas., pfd. | 1.75q | 16 | 4,375 |
| Hollinger Mines | .05+.05 | 12 | 492,000 |
| Howey Gold | .02 | 2 | 100,000 |
| Humberstone Shoe | .50q | 1 | 10,000 |
| Hydro-Elec., B pfd. | .25 | 2 | 153,049 |
| Imperial Bank | 2.50q | 2 | 175,000 |
| Inter. Nickel, pfd. | 1.75q | 2 | 463,488 |
| Inter. Utilities, pfd. | 1.75q | 1 | 9,339 |
| Do., $3.50 pfd. | .87½q | 1 | 96,222 |
| Kelvinator, pfd. | 1.75q | 16 | 8,050 |
| Little Long Lac | .10 | 16 | 133,200 |
| Nat. Grocers, pfd. | ‡1.75 | 10 | 51,681 |
| Ont. Steel Prod., pfd. | 1.75q | 15 | 6,304 |
| Do., arrears | .16 | 15 | 57,648 |
| Penmans | .75q | 16 | 48,288 |
| Do., pfd. | 1.50q | 2 | 16,125 |
| Prudential Trust | *.25 | 1 | 4,306 |
| Quebec Power | .25q | 16 | 138,230 |
| Rolland Paper, c. | .25q | 16 | 15,000 |
| St. Law. Flour | .25q | 2 | 9,000 |
| Do., pfd | 1.75q | 2 | 10,062 |
| Saguenay Power, pfd. | 1.37½q | 1 | 68,750 |
| Shawinigan W. | .20q | 16 | 435,630 |
| Simon & Sons, pfd. | 3.50 | 2 | 11,364 |
| Simpson, pfd. | 1.25q | 2 | 140,625 |
| South. Can. Power, c. | .20q | 15 | 80,000 |
| Steel of Canada | .43¾q | 2 | 301,230 |
| Do., pfd. | .43¾q | 2 | 113,686 |
| Toburn Gold | .02q | 21 | 37,000 |
| United Corp., A | ‡.75 | 16 | 48,202 |
| United Fuel, pfd. | 3 | 16 | 270,000 |
| Weston, Geo., pfd. | 1.25q | 3 | 21,875 |
| Wood, Alex & J., pfd. | ‡1.75 | 10 | 11,375 |
| Zimmerknit, pfd. | 3.50 | 1 | 8,750 |
| Total | | | 4,584,939 |

m—Monthly. q—Quarterly. s—Semi-annually. ‡Arrears. *Initial.

**Bond Interest Due in August**

| | $ |
|---|---|
| Corporation | 4,240,831 |
| Municipal | 1,845,500 |
| Provincial | 3,519,229 |
| Dominion | 6,596,759 |
| Total | 16,202,319 |

# C.N.R. Income Gains Sharply

From Our Own Correspondent

MONTREAL.—Canadian National Railways report a sharp gain in net Railways reports a sharp gain in net compared with the same month last year.

During the past month operating revenues totalled nearly $16.1 millions, an increase of over $1.3 million, compared with returns for June, 1936. Operating expenses increased by $926,390, leaving net revenue of $435,188.

A summary of returns follows:

| June: | 1937 $ | 1936 $ |
|---|---|---|
| Operating revenues | 16,091,901 | 14,739,765 |
| Operating expenses | 15,656,713 | 14,730,323 |
| Net revenue | 435,188 | 9,442 |
| 6 Mos. end. June 30: | | |
| Operating revenues | 94,996,314 | 85,461,428 |
| Operating expenses | 88,328,366 | 82,986,388 |
| Net revenue | 6,667,948 | 2,475,040 |

## Paramount Estimates Increase in Earnings

Consolidated earnings of Paramount Pictures Inc. for the three months ended July 3, 1937, are estimated at $1,307,000, after all charges including interest, taxes (except U. S. undistributed profits taxes), depreciation and reserves. These earnings do not include approximately $340,000 representing the company's net interest in the undistributed profits of partially owned subsidiaries. This compares with a loss of $477,461 for the corresponding period of 1936, after applying $800,000 of the inventory reserve provided as of Dec. 28, 1935, and the company's net interest in the combined undistributed earnings of partially owned subsidiaries of $305,000.

After allowing for dividends on preferred stocks, the earnings represent 41 cents per share on the common, and, after taking into consideration the undistributed earnings of the non-consolidated subsidiaries, earnings equalled 55 cents per common share.

## Wood, Alexander & James To Pay $1.75 Arrears

Wood, Alexander & James Ltd., Hamilton, has declared a dividend of $1.75 a share on account of arrears on the 7% first preference stock. The dividend is payable Aug. 10, to shareholders of record Aug. 2.

Arrears on the first preference stock will amount to $38.50 a share after the payment. The last previous payment was $1.75 a share on May 5, 1937.

In the year ended Jan. 31, 1937, the company showed earnings of $6.14 a share on the first preferred, compared with 68 cents a share in the preceding year.

The company operates a wholesale hardware business specializing in equipment for industrial, public utility and power companies and lumber camps and also serving the retail dealers.

# Rapid Action Taken To Evacuate Cattle

From Our Own Correspondent

WINNIPEG.—Fairly rapid progress is being made in developing the Dominion Government plan for taking care of the cattle which must be evacuated from Saskatchewan on account of the scarcity of feed. The problem remains a large one, although several factors have combined to relieve its urgency. Late rains in Saskatchewan have provided a good deal of pasture on which cattle can subsist for some time, although numbers will have to be reduced before winter in order that winter feed may be sufficient for the number carried through.

The rate of movement out of the province may in consequence be slowed down. Alberta pastures have become abundant, and the market is relieved by lack of pressure from supplies in that province. Manitoba and Ontario farmers, with abundance of feed on hand and in prospect are heavy purchasers of feeder cattle, and are expected to absorb thousands more during the next few months.

**Relieve Market Pressure**

The Dominion Government plan, which is being administered under the direction of Hon. James Gardiner, minister of agriculture, is designed to relieve market pressure by preventing more cattle being offered for sale at once than can be absorbed in various outlets. A large tract of grazing land has been secured in western Manitoba from the Manitoba Government, and this is being fenced. The land is sandy, and its production of grass is comparatively meagre, even this year. The pasturage it affords will not be able to carry any great number of cattle, without addition of hay, of which fortunately great supplies are this year available in the province.

Three separate classes of cattle are provided for in the plan. Canner cattle are to be bought outright from farmers at 1½cents per pound. These in turn will be sold to packers as rapidly as they can be absorbed.

Butcher cattle, presumably ready for immediate slaughter, will be bought outright from farmers, at a price to be fixed weekly on the basis of prices prevailing on the Winnipeg stockyards for cattle of similar class, and freight rate to Winnipeg will be deducted. Such cattle will be in part shipped at once to the Winnipeg market, and in part retained on the Government pasture. Their higher value per pound will make proportionately valuable any gains in weight made, and the cost of holding them for a few weeks or a few months, until it is judged that the market can absorb them, may balance the cost of taking care of them.

**Share in Profits**

The third class comprises stockers and feeders. On such cattle, farmers will be given a price per pound, fixed weekly to approximate the current price for such stock on the Winnipeg market. There will be no deduction for freight, in order to give to present owners the benefit of the free freight provision on cattle shipped to Manitoba and Ontario farmers. In addition, owners will be given a participation certificate entitling them to a share in any profits that may be realized.

A plan is already in effect under which farmers selecting carloads of stock are allowed one-way passenger fare from home to point of purchase, while return transportation is provided free along with the cattle. But those which are purchased and moved into the special area can be sorted and graded into uniform loads, likely to be of more use in many cases to the purchaser than a load secured from a single farm or a single shipping point. Such cattle, still in the growing or fattening stage, are likely to make weight gains more economically than other classes. In addition, there is a possibility of some improvement in basic market prices per pound.

Cattle men as a whole do not consider that any large-scale scheme for handling and feeding cattle is likely to be a commercial success. But the plan is accepted as a practical solution of the difficulty of the excess number of cattle which cannot immediately be so absorbed.

A heavy demand in the United States for feeder cattle is likely to correspond with the heavy supply available in Canada. It may be expected that Canada's quota allowed into the United States at a reduced rate of duty will be exhausted fairly early. But a strong market south of the border will make bearable the standard duty of three cents a pound on cattle shipped after the quota is exhausted.

# Southern Alberta Gets Better Crop

## Wheat Estimate for District Is Three Times That of Last Year

From Our Own Correspondent

LETHBRIDGE, ALTA.—Southern Alberta is just entering the harvest season and from present indications a fair average crop will be marketed.

Last year this region, one of the West's heaviest wheat growing areas normally, harvested only 8 million bushels owing to the protracted dry season. This year, thanks to timely and heavy precipitation in most areas, between 22 million and 24 million will probably be threshed. With the improved prices wheat growers will have many times the money to spend that they had last season.

Good crops are being gathered west of Taber, Stirling and Coutts. East of Taber and southeast to the Saskatchewan border and along the Lomond-Suffield line of the C.P.R. crops are extremely light or a failure and relief will be needed. July rains of an inch or more helped some and the southeast may thresh a few 10-bushel crops and there will be some feed now.

## American Cyanamid Earns $1.13 a Share

Net income of American Cyanamid Co. for the six months ended June 30, 1937, were equivalent to $1.13 a share on the combined shares in classes A and B. This compares with 68 cents a share earned in the first half of 1936.

Net operating profit increased to $5.5 millions from $3.8 millions while net income rose from $1.7 million to $2.8 millions in this period.

**Consolidated Income Account Six Months Ended June 30**

| | 1937 $ | 1936 $ |
|---|---|---|
| Net oper. profit | 5,471,591 | 3,823,083 |
| Add: Other income | 382,165 | 384,773 |
| Total income | 5,853,756 | 4,207,856 |
| Less: Deprec. & depl. | 1,334,565 | 1,133,014 |
| Research & dev. ex. | 847,758 | 724,099 |
| Interest | 207,349 | 206,064 |
| Fed. income taxes | 586,439 | 392,123 |
| Minority interest | 33,320 | 44,553 |
| Net income | 2,844,325 | 1,708,003 |

# Birks Moving Office to Ontario

From Our Own Correspondent

MONTREAL. — Henry Birks & Sons Ltd., nationally known jewellers and silversmiths, have taken out supplementary letters patent changing the head office of the company from Montreal to Ottawa.

A number of other companies with head offices in the Province of Quebec have moved their head offices to Ontario during the past year.

# Ford Awards B. C. Contract

## Vancouver Firm to Start Work at Once on Assembly Plant

From Our Own Correspondent

VANCOUVER.—Contract for the construction of the Ford Motor Co. of Canada's assembly plant here has been awarded to Smith Brothers & Wilson, a Vancouver contracting firm, at a price of $291,650. Work will be started at once.

Total cost of the project will be about $550,000. The steel contract was awarded recently to Dominion Bridge Co. for $96,000, and electrical and heating contracts have yet to be announced. Cost of assembly equipment will be added to the construction total.

It is planned to make the Vancouver assembly plant the most modern on the continent, fully air-conditioned, with acoustical ceiling, stainless steel show windows and modern lighting, with windows motor-operated.


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H. C. GRIFFITH, M.A., LL.D., *Headmaster.*


## *Big Holders Abitibi Bonds Favor Plan*

(Continued from page 1)

that shareholders do not receive adequate consideration.

While the bondholders' committee's plan can be amended or modified at the meeting, The Financial Post is informed that large British bondholders will not undertake to approve further concessions to shareholders and feel they have already given more than fair consideration to the equity holders. A committee of the Association of British Investment Trusts, appointed to watch the interests of members in the Abitibi reorganization, has signified its approval of the bondholders' committee's plan.

**Government Aid**

The bondholders' committee's plan was drafted with the knowledge and assistance of the Ontario Government which this year passed special enabling legislation to expedite reorganization of Abitibi. The final form of reorganization is subject to approval by the Government as well as by the Supreme Court of Ontario, but members of the bondholders' committee do not expect serious interference from the Government.

Extensive summaries of the bondholders' committee's plan appeared in The Financial Post for July 31.

## *Publishers Stock Up on Newsprint*

From Our Own Correspondent

MONTREAL.—American newspaper publishers are continuing their policy of stocking up in order to reduce or eliminate the possibility of a newsprint shortage during the fall and winter months when demand is at its peak. The trend of stocks in United States publishers' hands is shown in the following table:

**Publishers' Stocks on Hand Number of Days' Supply**

| | 1937 | 1936 |
|---|---|---|
| January | 38 | 39 |
| February | 35 | 35 |
| March | 34 | 30 |
| April | 36 | 28 |
| May | 36 | 28 |
| June | 41 | 29 |

## Perron Gold Averages $7.06 a Ton Recovery

From Our Own Correspondent

MONTREAL.—Perron Gold Mine reports a production of $37,980 for the first half of July. During this time the mill was operated at 98.79% on an average daily tonnage of 342 tons. In all 5,130 tons of ore were milled, with an average assay value of $7.06.

In regard to development work, J. P. Norrie, general manager, reports that the high-grade ore exposed in drill holes 211 and 213 has been exposed and crosscut 211 north at footages 50 and 75 ft. It is expected that the first vein of 4 ft. will improve with drifting, as indicated in diamond drilling. The second vein is 20 ft. wide of high-grade vein material. The latter will materially increase the ore reserve to much better than average grade.

## *Mackenzie Air Revenue Expands*

From Our Own Correspondent

MONTREAL. — Mackenzie Air Services grossed $36,000 in June and present indications are that the company will earn over $40,000 for July. On the present basis, the company may show gross earnings for 1937 of over $300,000 which, after deduction of expenses, would leave about 35 cents a share on the capital stock.

## Red Crest Gold Mines Sells Block of Shares

From Our Own Correspondent

MONTREAL. — Red Crest Gold Mines has issued an additional 27,000 shares at 35 cents a share under the terms of the option agreement. There are now outstanding 2,172,000 shares, while 828,000 remain under option, including 328,000 shares at 35 cents and the balance at 50 cents a share.

## Wood Cadillac Mines Option Is Not Exercised

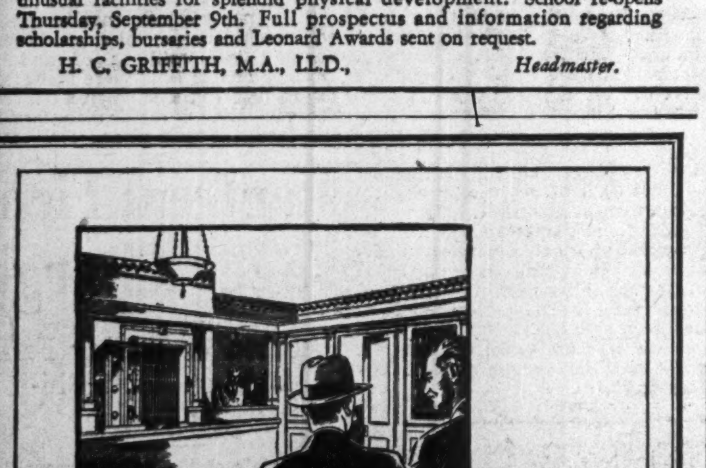
From Our Own Correspondent

MONTREAL.—Wood Cadillac Mines has advised the Montreal Curb Market that the option on 400,000 shares of the company's stock at 40 cents a share due on July 29, 1937, has not been exercised.

The company is entering into a new agreement with the optionee.

### Obituary

**Harry W. D. Armstrong**, charter member of the Engineering Institute of Canada and for many years associated with early development of transcontinental railway lines in Canada, died this week in Toronto. He was assistant engineer for the Ontario department of highways until his retirement in 1927. He was 35.

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V. W. GERRISH
Chief Agent for Canada

July 19, 1937

## U. S. Citizens Committee To Fight Labor Excesses

Excesses arising out of the C. I. O. organizing campaigns in the United States and failure of governmental authorities to curb threats against civil and property rights, have inspired formation of the Citizens National Committee at Johnstown, Pa., to combat such disruptive influences.

Contributions totalling $59,000 from 5,000 individuals, and promises of organizing support from citizens in 73 communities, greeted the initial appeal. The Committee aims primarily to mobilize public opinion for protection of the rights of both workers and employers, and for adjustment on an orderly basis of the relations between them.

## Newsprint Exports Pass $11 Millions Mark in June

From Our Own Correspondent

MONTREAL. — Canadian newsprint exports in June reached a total value of $11.4 millions, nearly $2 millions above exports for the same month last year, according to the Dominion Bureau of Statistics.

Last month export shipments totalled over 6.1 million cwt., of which 4.8 millions went to the United States; 298,338 to Australia; 288,316 to the United Kingdom; and 226,990 to the Argentine; and small amounts to a number of other countries.

Exports of all papers and paper manufacturers in June were worth nearly $12.3 millions, compared with $10.4 millions in June last year.

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# Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

| | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| **Provincial—** | | | | | | | |
| Nova Scotia | July | Bank of Montreal, Wood, Gundy & Co. and Syndicate | 2½% | 1941 | $1,528,000 | *99.08 | 2.73% |
| | | | 3½% | 1948 | 2,549,000 | *99.75 | 3.53% |
| **Dominion—** | | | | | | | |
| Canada Treasury Bills | July | | | Nov. 1, '37 | 25,000,000 | 99.839 | .633% |

*Offering price.


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British Consols
COSTLIER .. MILDER .. TOBACCOS

# Power Production Climbs

## Ten Systems Report Gain of 9% for First Half of Year

From Our Own Correspondent

MONTREAL. — Ten representative Canadian power systems, including Ontario Hydro, Shawinigan, Saguenay Power, etc., which account for about two-thirds of the total Canadian production, generated over 9,044 million kilowatt hours of electrical energy during the first half of 1937. This contrasts with 8,301 million kw.h. for the same period in 1936, an increase of 9%.

These figures represent the amount generated and not the amount sold. It is possible, therefore, to have a substantial difference in the two sets of figures due to power purchases, transmission and distribution line losses, etc. However, the figures are of more than usual interest in that this is the first time it has been possible to secure an interim report from individual operators covering more than half of the Dominion total. Further it is of interest as reflecting economic activity in the areas served.

**Reflect Economic Activity**

Since the beginning of the current year there has been an acceleration of activity in the principal power using industries, such as pulp and paper, mining, electro-chemical, and light and heavy manufacturing. Retail sales have also advanced as indicated by the heavier commercial demand for electricity, while domestic sales of energy are rapidly returning to a normal trend, which was interrupted by the depression years.

In the accompanying analysis of comparative returns of 10 representative firms for the first half of 1937 and 1936, it will be noted that increases have been general; in some cases quite substantial. It is emphasized, however, that these figures are not sales, but only energy generated.

**Take More Firm Power**

From present indications the amount of energy generated by these 10 systems in 1937 will set an all-time record. What is of equal importance is the expectation that the gain in firm power sales this year will be of a healthy size. Secondary sales, on the other hand, will continue large due particularly to the heavy electric steam power requirements of the pulp and paper industry.

## Output of Canadian Systems

| | Six Months Ended June 30 (in kilowatt hours) 1937 | 1936 |
|---|---|---|
| British Columbia Power | 296,296,167 | 263,268,358 |
| Canada Northern Power | 315,370,102 | 291,019,130 |
| East Kootenay Power | 42,955,008 | 37,651,774 |
| Montreal Power* | 566,361,700 | 530,955,130 |
| Ontario Hydro Commission | 3,920,305,984 | 3,569,241,663 |
| Quebec Power | 78,977,340 | 79,528,208 |
| Saguenay Power | 1,102,443,000 | 1,094,101,952 |
| Shawinigan | 2,151,380,330 | 1,939,803,320 |
| Southern Canada Power | 134,916,120 | 105,941,680 |
| Winnipeg Electric | 445,596,000 | 389,977,200 |
| Total | 9,044,601,751 | 8,301,488,415 |
| Total all Canadian systems | 13,754,271,000 | 12,442,086,000 |
| % of Dominion total by 10 systems listed | 65.75 | 66.75 |
| % gain of 10 systems over 1936 | 9.00 | .... |
| % gain of Dominion over 1936 | 10.60 | .... |

*Excluding output generated for export and secondary sales.

# Canada Bread Earnings Rise

## Arrears Payments on B Preferred Expected in 1937

While operating profits of Canada Bread Co. increased $16,000 in the year ended June 30, 1937, net profits showed a gain of over $23,000.

The net improvement was achieved, despite increased taxes, largely because of reduction of some $7,000 in bond interest and $32,000 in the charge for depreciation. Bond interest was earned over six times after depreciation. Net profits amounted to $14.95 a share on the 5% first preferred.

Allowing for participation provisions, earnings amounted to $3.34 a share on the B preferred and 20 cents a share on the common. Comparative figures in the preceding year were $2.87 and 15 cents a share.

Before allowing for participating dividend provisions, the earnings amounted to $4.98 a share on the B preferred, on which the annual cumulative rate of $2.50 a share is being maintained. There is $2.50 a share of arrears on the B preferred.

**May Pay Arrears**

At the annual meeting, C. H. Carlisle, president, expressed the hope that some of the arrears on the B preferred would be paid off before the end of 1937.

A feature of the report is that bonds outstanding were reduced by $156,400 to $754,900 at June 30, 1937, while working capital declined only $30,000. Mr. Carlisle comments that "the process of relieving Canada Bread from its financial burden has put the company in a very fine position, and we are now able to give better service than ever and to pay dividends on preferred shares."

Mr. Carlisle reports that plant and equipment have been maintained in efficient operation, that new machinery has been added and the territories served have been extended. It would appear, he says, that 1937-38 will be a year of higher costs.

**Income and Surplus Account**
**Years Ended June 30**

| | 1937 $ | 1936 $ |
|---|---|---|
| Operating profit | 472,479 | 456,290 |
| Add: Int. on invests. | 4,710 | 4,301 |
| Total net earnings | 477,189 | 460,591 |
| Less: Depreciation | 165,159 | 197,705 |
| Bond interest | 50,694 | 57,568 |
| Prem. on bonds | 16,177 | 2,425 |
| Inc. & corp. taxes | 54,251 | 39,415 |
| Loss on real estate | 4,017 | ...... |
| Net profit | 186,891 | 163,478 |
| Less: 1st pref. divds. | 62,500 | 62,500 |
| B pref. divds. | 62,500 | ...... |
| Surplus for year | 61,891 | 100,978 |
| Add: Prev. surplus | 75,580 | 1,615,190 |
| Less: Write-offs | ...... | 1,535,443 |
| Reval. of properties | ...... | 100,000 |
| Reorg. exp. w/o | ...... | 5,145 |
| Addit. income tax | 7,300 | ...... |
| Surplus forward | 130,171 | 75,580 |

**Working Capital**

| | 1937 $ | 1936 $ |
|---|---|---|
| Current assets | 559,226 | 561,850 |
| Current liabilities | 327,138 | 299,628 |
| Net working capital | 232,088 | 262,222 |

# Maritime 'Phone Records Sharp Gain in Toll Traffic

From Our Own Correspondent

MONTREAL. — Completed long distance calls reported by the Maritime Telegraph and Telephone Co. for June totalled 140,606, a larger number than for any previous June with the exception of 1930 when 144,306 calls were completed. During the month a third Halifax-Montreal circuit was put into service in order to take care of the increasing traffic.

At the end of June Maritime Telegraph reported 40,578 stations in service, a net increase of 380 during the month. The Island Telephone Co., a subsidiary, reported an increase of 77 stations to 4,248 during June.

**Outlook for Foreign Bonds 4.**

# Chilean Bondholders Advised to Hold Out For Better Agreement

## Committee Recommends Non-acceptance of Payments Offered Under 1935 Decree — Higher Interest Possible in Next Few Years

By NORMAN A. WHITE

The outlook for Republic of Chile bonds can hardly be said to be promising, although interest payments may increase somewhat over the next few years.

Since Chile depends, to a large extent, upon nitrate and copper for prosperity it was severely hit by the depression and went into default in 1931 and 1932.

Partial debt service was resumed last year under a decree passed in 1935 whereby receipts of the Chilean Government from its 16% tax on profits of copper companies and 25% tax on profits of the Nitrate and Iodine Sales Corp. are assigned to the Autonomous Institute for the Amortization of the Public Debt. Half the receipts are used to pay interest and half, after deducting expenses incident to the law, for redemption or amortization by direct purchase below par in the market or by drawings at par.

Interest payments are actually a purchase of defaulted coupons by the Government. The first payment of $4.75 per $1,000 bond was made in April, 1936, for the two oldest unpaid coupons. The second payment of $6.05 was made in January of this year.

As the annual statements of the nitrate and copper companies are not available until later in the year the amount available for January payments in each year is based on earnings for the second preceding year.

**Payments Should Increase**

Though revenue from nitrate companies is not likely to appreciate substantially bondholders may expect some increase in payments over the next two years as a result of higher copper prices. The payment in January of this year was based on 1935 earnings when the average price of copper was 7.79 cents. Since that time it has risen to 14 cents.

The Chilean Government, however, has shown a total disregard for the rights of bondholders. The present unilateral adjustment was forced on bondholders in 1935 without any negotiation. Before the passage of the statute the Foreign Bondholders' Protective Council of New York was unsuccessful in inducing the Government to discuss resumption of debt service on a fair basis. Negotiations carried on with a commission appointed by the Government following passage of the statute were also fruitless.

**Destroys Bond Contract**

Even more serious is the provision in the decree that acceptance of a single interest payment provided for under the scheme "extinguishes the original responsibility of the debtor who shall then only be bound by the present law." As the Foreign Bondholders' Protective Council has pointed out this would seem to mean that any bond served under the law becomes, by acceptance of such service, null and void as a bond. Thereafter the bond seems to be nothing more than a mere certificate which entitles the holder to receive any funds distributed under the law, either as it now stands or as it may later be amended.

Primarily because acceptance of service would appear to mean that a bondholder assents to the destruction of his bond contract the Council has recommended rejection of the offer of the Chilean Government, advice which has been followed by about 90% of the bondholders. Hopes are held out that the Chilean Government may eventually reopen the matter. At present, however, there appears to be little likelihood of such action.

The Foreign Bondholders' Protective Council has also made strong protest against the practice of the Chilean Government of using funds and foreign exchange which should be devoted to the payment of interest on bonds, for the purpose of purchasing at a discount on the open market bonds which are in default. In other words the Government is using funds which should be used to pay higher interest to bondholders to reduce its debt. Under provisions of the 1935 decree Brazil retired $14.7 millions of bonds in 1935 and $15.8 millions in 1936 in this manner.

**Later Payment Possible**

Non-acceptance of the proffered interest does not preclude a bondholder from obtaining the payments at a future date. Under the 1935 decree amounts reserved for the payment of interest on bonds whose holders have not assented to the service offered shall be applied to amortization of debt 12 months from the date on which the payment of interest in any one year reaches 2% of the face value of the bonds. There is no immediate possibility of interest payments reaching 2%.

The dollar debt of Chile is made up of seven issues of Republic of Chile totalling $149.6 millions, three municipal issues totalling $17.5 millions and six Government guaranteed corporation issues totalling $66.4 millions, making a grand total of $233.6 millions.

In addition, Chile has an external sterling indebtedness of £29.5 millions and Swiss francs 118.6 millions.

As regards the dollar indebtedness partial interest payments under the 1935 scheme are being made on the seven national issues, on the dollar issue of the Water Company of Valparaiso and on five-dollar issues of the Mortgage Bank of Chile. No payments are being made on municipal issues.

Total direct and indirect debt of the republic at the end of 1935 amounted to $551.9 millions.

In 1935 Chile had a surplus of $4.7 millions and the surplus for 1936 is estimated at $4.3 millions. As yet the Government has not allocated any part to interest payments on bonds.

Indicative of gradual improvement in economic conditions is the surplus of $44.3 millions of exports over imports in 1936, compared with $34.8 millions in 1935.

# Gt. Lakes Paper Making Profits

## Company May Earn Preferred Dividends This Year

C. H. Carlisle, president of Great Lakes Paper Company, reports the outlook for the company appears very bright. Operating profits for the first six months of 1937 were $418,887 and net profit was $116,991, after providing $151,896 for depreciation and $150,000 for bond interest.

Annual dividend requirements on the 100,000 shares of class A and 100,000 class B preferred amount to $400,000, and it is considered possible that net earnings for the current year, after depreciation and interest, may be sufficient to cover this total. The company had repaid in full its bank loan of $200,000 and at June 30, 1937, had a bank balance of $104,931 to its credit.

The company has completed its building programme at the mill, and has increased and diversified its production. Storage capacity has been increased four-fold, allowing the company to build up supplies of paper for shipment in summer months, and to economize by using water transportation.

**Selling Sulphite Pulp**

Additions to the sulphite mill provide some surplus capacity and the company started shipments of sulphite pulp in July. It has contracted for sale of most of the surplus production at satisfactory prices.

In addition to increasing the efficiency of the mill, the company has made improvements on timber limits for greater efficiency in woods operations.

The capital consists of $6 millions of 5% first mortgage bonds and 100,000 shares each of class A preferred, class B preferred and common stock. Since reorganization in 1936, no dividends have been paid, and the company has been building up its working capital from earnings. Dividends on the class A and class B stock will be in arrears $4 a share

# Foreign Policy Feature Of Couchiching Parley

Programme for the sixth annual summer conference of the Canadian Institute on Economics and Politics, which will meet at Lake Couchiching, Ontario, from Aug. 7 to 20, indicates that discussion of foreign policy will be the topic of major interest. Lord Eustace Percy, member of the British House of Commons, will deal with foreign policy in general, and with that of Great Britain in particular, in a number of addresses. From the United States angle, the subject will be presented by Dr. J. G. Rogers, of Yale University. The South American viewpoint will be given by Carlos Davila, formerly Chilean ambassador to Washington. Canadians speaking on this subject include Prof. K. W. Taylor, of McMaster University, Prof. F. H. Underhill, and Prof. J. F. Parkinson, of the University of Toronto, G. V. Ferguson, of the Winnipeg Free Press, and D'Arcy Marsh, of the Hamilton Spectator.

Sharing the spotlight with foreign policy will be consideration of the French-Canadian viewpoint on matters of current interest as presented by L. M. Gouin, G. Bouchard and J. St. Germain, and discussion of the situation in the Far East, with addresses being delivered by Dr. P. Y. F. Shih, of Nanking and Dr. H. L. Keenleyside, formerly of the Canadian legation at Tokyo.

# C.S.L. Covers Debt Charges

## Coverdale Now Estimates 1937 Income Will Meet All Prior Charges

From Our Own Correspondent

MONTREAL.—Net result of Canada Steamship Lines' operations to June 30, 1937, shows an improvement of more than $250,000 from the previous year, according to President W. H. Coverdale. To this he points out, must be added the savings secured through reorganization. From present indications he further states, annual bond interest will be fully earned after depreciation and other charges and reserves.

During the first half of this year there was an improvement in bulk freight movement; in passenger business, while packaged freight tonnage was well maintained.

On August 15 next the company will retire its debentures outstanding in amount of over $2 millions and as the company's cash position is adequate for this operation, no new financing will be involved.

**Bulk Freight Better**

In summarizing the outlook, Mr. Coverdale said:

"The conditions as to bulk freight movement are substantially better than last year due to larger tonnage of both ore and coal, the volume of which has more than doubled to date and which movement is expected to continue at about the present level until the end of the season.

"Grain traffic from the Lakehead has been disappointing both as to volume and rate and no improvement is to be expected until the latter part of September at which time a brisk movement is anticipated of whatever amount of Canadian grain is available for export. As an offset to this light movement of Canadian grain, however, there is a substantial movement of import grains through St. Lawrence River ports to ports on Lake Erie and Lake Michigan at satisfactory rates, which movement is expected to continue until the middle of August. The company's elevator at Kingston is handling a large volume of this import grain. The United States expects to have surplus grain for export estimated at about 150,000,000 bushels, which movement will commence early in August and continue until the close of navigation. Of this export movement a rateable proportion, based on tributary territory, should pass through St. Lawrence River ports.

"Package freight tonnage and tonnage earnings are being well maintained. All the company's ships of this class are in commission and expect to remain so throughout the season.

"Passenger service also shows an improvement and the expectation is that such increase will be maintained throughout the passenger season or until September 15, such service being, of course, susceptible to adverse weather conditions. Both the Manoir Richelieu and Tadoussac Hotels are running ahead of last season, the latter at this writing being filled to capacity."

*'PHONE DIRECTOR*

C. E. Gravel, of Montreal, who has been elected to the board of Bell Telephone Co. of Canada. He succeeds the late George Caverhill.

# Dom. Textile Workers Quit

## Union Refuses to Await Board's Review of Demands

From Our Own Correspondent

MONTREAL.—Strike of an undetermined number of adherents of the National Catholic Unions this week suspended operations at nine plants scattered through Quebec province of Dominion Textiles Ltd. and its subsidiary, Montreal Cottons Ltd. of Valleyfield. The total of those made idle, including those willing to continue working, is estimated at between 8,000 and 10,000

Officials of the National Catholic Federation of Textile Workers, who were authorized to call a strike in a recent ballot among Dominion Textile employees, claimed that the strikers constituted a majority of the workers in the nine plants. G. Blair Gordon, managing director of the company, insisted that only a minority were involved, but said it was necessary to close down the plants "until conditions are established under which it will be feasible for the workers to return to the shops."

**Operations Curtailed**

Partial operations were continued by skeleton staffs at three out of four Montreal mills, but work was entirely suspended at the fourth Montreal plant and at mills in Sherbrooke, Magog, Drummondville, St. Gregoire and Valleyfield.

The strikers are demanding collective bargaining recognition of the union, higher standard wage rates, and reduction of working hours from 55 to 48 per week. Recent conference between union leaders and company officials proved abortive when the company suggested that the dispute be referred to the new provincial Fair Wage Board, which commences functioning Sept. 1.

Spokesmen for the union assert that the strike has tied up output from the sources of 70% of Canada's basic textile production.

# Hope Still Held For Beauharnois

## Hepburn Repetition of Opposition to Seaway Viewed Favorably

From Our Own Correspondent

MONTREAL.—Opinion of Premier M. F. Hepburn of Ontario, as expressed in a letter to Alfred F. Beiter, of Williamsville, N.Y., that the St. Lawrence waterway could not be justified on economic grounds, because, among other things, Ontario had all the power it needed, has created wide interest among Beauharnois Power security holders. Mr. Beiter is a member of the United States House of Representatives.

At present Beauharnois is endeavoring to enforce its original contract with Ontario Hydro through the medium of the courts. To date the company has met with legal success. It has been the common belief that rather than allow the case to go to the Privy Council Premier Hepburn would seek a "conciliation" with the company.

**May Not Compromise**

The latter rumor has been particularly persistent in recent weeks, bringing about renewed interest in Beauharnois securities. A new angle to this situation is seen in the following extract from the Premier's letter to Mr. Beiter:

"At the present time an appeal against the decision of the Appeal Court of Ontario regarding the purchase of 250,000 horsepower from the Beauharnois Company is being carried to the Supreme Court of Canada and in all probability to the Privy Council."

**Depend on Quebec Power**

This does not look very hopeful for an early settlement of the dispute between the company and the Ontario Government. On the other hand, Premier Hepburn's stated opposition to the St. Lawrence waterway makes it apparent that with the present and prospective increase in the power load on the Niagara System. Ontario Hydro will have to depend more and more upon Quebec power.

At present Ontario Hydro is buying from Gatineau Power, Maclaren-Quebec Power and Ottawa Valley Power. It is taking full deliveries from Ottawa Valley, 40,000 h.p. from Maclaren and a little over half of all the power requisitioned from Gatineau.

**Has Power "Cushion"**

Ontario Hydro can still call upon Gatineau Power for firm delivery of another 120,000 h.p., before finding it necessary to buy elsewhere; in fact, the Commission must take up this firm power before it can make another contract with a Quebec company.

If the Ontario Government is determined to exclude Beauharnois from the present power arrangement, it can secure at least another 175,000 h.p. from Quebec to meet its needs, 120,000 from Gatineau and the balance from Maclaren.


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**Investment Trends**

# Dullness of Stocks Aftermath of Slump

## July Advance in New York Gives Hope of Stronger Prices in Canada; Statistician Relates Stocks and Commodities

Volume of stock exchange trading has dwindled to much lower levels than last summer, indicative of the usual flagging of public interest when prices become settled after such a decline as was recorded in the spring.

Whether in hope or introspection, stock brokers are looking for an active and rising market in industrial shares in the fall. Market analysts, however, express the view that some decline would not be out of order before an autumn rise.

In London, where there had been something of a boom in stocks for two years, trading has become very quiet and is described as cautious, following the recent sharp slump in gold shares. The British Government helped to put down stocks in London with its special defense tax, and, although the levy has been substantially modified, public enthusiasm for stocks has not recovered completely.

Comparative chart of public utility and industrial share indices in the August bulletin of the Montreal Stock Exchange shows that utilities have begun to keep pace with other common shares. Utilities still have a lot of ground to make up to catch industrials. But the fact that they are no longer falling behind in the race of recovery appears to reflect returning public confidence which was shaken particularly by fears of Quebec political interference with the industry.

*Stock Prices Firm*

For the last three weeks of July, the Toronto Stock Exchange average for industrial shares moved in a "line" formation at approximately the 165-6 level. The Montreal Stock Exchange index for industrials acted similarly, in the vicinity of the 107-109. In contrast, New York stocks moved upward throughout July, the Dow-Jones average for industrials rising from 170 to approximately 184.

The "line" formation in Toronto and Montreal, coupled with the price movement in New York, appears to be a combination of stability with strength. If the New York price trend continues firm, there is reason to expect some general improvement in the price levels of Canadian stocks.

Over any extensive period, Canadian market averages conform closely to the Wall Street price trend.

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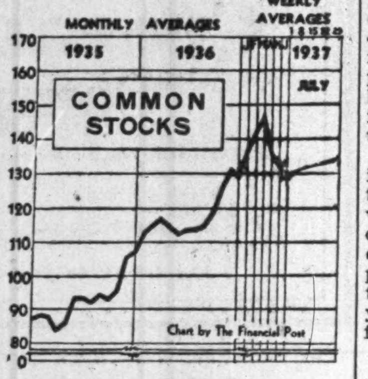


*CLIMBING BACK*

Index of common stock prices rose to 135.1 for the week ended July 29, the Dominion Bureau of Statistics reports. Comparative figures are tabulated on this page.

*Stocks and Business*

Discussing the divergence between movements of stock market prices and business indices in recent months, Dr. R. H. Coats, Dominion statistician, comments in the August bulletin of the Toronto Stock Exchange that this was "somewhat reminiscent" of 1929 when business volume reached a peak in January and stocks continued to advance until the collapse in October. Fortunately, he adds, there are important differences in the underlying economic situation which strip this parallel of any great significance. One of the chief of these, he says, is the recent marked improvement in prices of primary products relative to prices of manufactured products, and he comments:

"With agriculture alone supporting nearly one-half of the country's population, the importance of balance between primary and finished product prices is readily apparent. Fortunately, rising values in primary markets have been followed so far by only a slight rise in living costs, so that increases in money income should give command over a larger amount of goods and services. The effect of this stimulus to business is likely to become more clearly apparent with the marketing of 1937 crops."

Dr. Coats also draws attention to the fact that when commodity prices were inflated in 1919 and 1920, stocks were not, and that in 1929 stock prices were inflated but commodities were not. In contrast, the recent advances in stocks, commodities and in business volume have run along together until this year. Apparently he does not regard the recent differences in business and stock market trends as matters for serious concern on the part of the investor.

*Investment Principles*

Gilbert R. Horne, in the quarterly review of the University of Western Ontario, generalizes on principles for the investor to follow in purchasing common stocks.

In his conclusion, Mr. Horne emphasized first that the investor should make a thorough analysis of the industry and of the individual business before committing his funds, and adds:

"The necessity for adequate and recent information on the company and industry in question is all important so that unfavorable trends may be ascertained and a shift of capital to more productive fields may be made by the investor. It is a case of speculation if information is not available on a company, as the risk cannot be determined, and the purchaser of the securities of such a company is not much better off than the buyer of stocks of fly-by-night oil companies . . .

"Finally, the investor must, if he is to avoid speculation, hedge against either appreciation or depreciation of the dollar by distribution of his funds between stocks and bonds. In a time of uncertainty, the time hazard in purchase can be minimized by keeping 20% or 30% of one's funds uninvested or in short-term obligations, awaiting the appearance of definite trends in the general economic outlook."

## Montreal Stock Trading On Smaller Scale in July

From Our Own Correspondent

MONTREAL.—Turnover in industrial shares on the Montreal markets increased during July, while volume of mines recorded a decrease.

Industrial shares traded on the Montreal Stock Exchange and Montreal Curb Market during the month totalled 651,366 shares, compared with 521,523 shares in June and 831,412 shares in July, 1936. Mining turnover amounted to 1,035,388 shares, as against 2,066,568 shares in June and 5,542,344 shares in July last year.

## Soulanges Power Corp. Move to Wind Up Affairs

MONTREAL.—Soulanges Power Corp., subsidiary of Montreal Light, Heat and Power Consolidated, has passed a by-law to wind up the company.

# Lake of Woods Year's Profits May Be Down

## But Further Arrears Payments Possible on Preferred

**MERGER TALK WRONG**

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co.'s fiscal year ends this month and while there is no official word available as to the likely financial outcome on operations, it is questionable if net income will be as high as in 1935-36.

Marketing conditions have not shown any material change as regards volume during the past crop year. From Aug. 1, 1936, to May 31, 1937, all Canadian mills produced about 12.2 million barrels. This contrasts with nearly 12.5 million barrels for the same period of the previous year.

**Sales Volume Holds Up**

Domestic trade has held up satisfactorily. The demand for wheat flour has varied little from year to year and, as far as the millers are concerned, any fluctuation in domestic sales is in the dollar value rather than in quantity. A better price has prevailed for domestic business, but against this has been increased operating cost, which has tended to limit profits.

Export trade, which has an important bearing on the costs of the Canadian millers, has not been very encouraging. For the 1936-37 crop year to the end of May, Canada exported 3.8 million barrels, compared with 4.1 million barrels for the same period in the previous year. This decline in demand affected costs.

**Smaller Revenue Likely**

The operating experience of Lake of the Woods Milling over the past year did not differ from that for the industry as a whole. Competition continues keen, but the share of the domestic and export market has varied but little between the principal manufacturers. The advance in the value of wheat has necessitated larger bank loans without any increase in the volume of grain carried.

During the year ended Aug. 31, 1936, Lake of the Woods showed a net income of $798,201 available for interest, depreciation and dividends. Net income was equal to $29.84 a share on the preferred and $2.32 a share on the common. This was better than in the preceding 12 months, when the company earned $21.49 a share on the preferred and $1.47 a share on the common.

While difficult to say at this time what the company will earn for 1937, the $7 dividend on the preferred should be covered by a wide margin; in fact, there should be sufficient of a surplus to permit the management to consider a payment on preferred dividend arrears.

**More On Arrears**

Last year the company made a special payment of $14 a share on arrears, reducing the accumulated arrears to $14 a share. Though the matter has not come up for consideration, it is likely that the board will make a further payment on arrears this year. If last year's practice is followed, the payment will be made around Dec. 1. Also there is a possibility in the event of the balance of arrears being paid the distribution will be split—half before the end of the year and the balance early in 1938. This will make it easier for the shareholders in the matter of income tax.

It is still too early for those connected with the industry to make any forecast as to operations or earnings during the new crop year. The short crop and the limited amount of wheat available for export will no doubt have an important influence on milling operations and flour marketings over the next 12 months. Higher costs are almost a certainty and whether such can be passed along to the consumer remains to be seen.

**Merger Talk Discredited**

In connection with Lake of the Woods Milling, a rumor has been circulating that the company is to be merged with Ogilvie Flour Mills. There is no truth whatever in this story, The Financial Post is advised. The rumor apparently developed from a casual remark from a prominent industrialist who became more closely identified with the industry some months ago.

Those close to the industry do not see any advantage in merging Lake of the Woods with Ogilvie Flour or any other major operator.

# Silverwood Stock on List Dividend Is Still in Doubt

Listing of 145,000 preferred and 176,598 common stock of Silverwood Dairies Ltd. on the Toronto Stock Exchange becomes effective Aug. 11.

A year ago the company informed shareholders that an application would be made to the exchange for such listing in one year.

The Financial Post is informed that earnings for the company in the first 13 weeks of the current financial year amount to approximately 19 cents a share on the preferred. The company is charging off increased costs of production in the most active months of the year, from April to September, and the management anticipates that earnings for subsequent quarters should correspond fairly closely. This would indicate an improvement over the earnings for the year ended April 3, 1937, of 50 cents a share on the preferred stock.

The preferred dividend of 40 cents a share, cumulative from April 1, 1936, has not yet been paid. It is understood that the question of dividend policy will probably not be considered until fall.

Comparing the first 13 weeks this year with the first 14 weeks in the year that commenced in 1936, the company's dollar volume shows an increase of approximately 7½%. The company's working capital at July 3, 1937, was approximately $411,000 compared with $401,763 at April 3, and $337,313 at March 28, 1936.

# Canada Bud Profits Gain

## Were Adequate to Cover Dividend for Six Months

Canada Bud Breweries reports net profit for the six months ended June 30, 1937, more than sufficient to cover the dividend of 40 cents a share paid for the period. Net profit was equivalent to 41.6 cents a share compared with 31.6 cents a share.

Duncan McLaren, president, points out that more than 50% of the year's brewery business is done in the four summer months and the profit reported on now only includes the first of these months.

Canada Bud sells about 85% of its beer in bottles, which is considerably higher than the average for the industry. For the first six months of 1937 only 48% of the beer sold in Ontario was bottled beer with the balance of 52% sold in bulk. In the first six months of 1936 Canada Bud reported about 75% of its beer sold in bottles, indicating that the company's percentage of bottled beer has been increased. Canada Bud profits are up approximately 30% compared with the corresponding period of 1936 while beer sales in Ontario have risen 12.28% in the same period.

**Cons. Income and Surplus Account**
**Six Months Ended June 30**

| | 1937 $ | 1937 $ |
|---|---|---|
| Net oper. profit | 101,649 | 85,408 |
| Add: Misc. revenue | 1,984 | 669 |
| Divds. received | 42 | 17 |
| Total income | 103,675 | 86,094 |
| Less: Depreciation | 29,446 | 29,688 |
| Dom. income tax | 11,134 | 8,461 |
| Provincial inc. tax | 743 | 564 |
| Net profit | 62,352 | 47,381 |
| Less: Dividends | 60,000 | 60,000 |
| Surplus for period | 2,352 | *12,619 |
| Add: Prev. surplus | 327,464 | 281,608 |
| Adjustments | 2,578 | ...... |
| Less: Inc. tax adjust. | ...... | 2,375 |
| Surplus forward | 332,394 | 266,614 |

*Deficit.

**Working Capital**

| | | |
|---|---|---|
| Current assets | 599,072 | 567,501 |
| Current liabilities | 260,006 | 277,838 |
| Working capital | 339,066 | 289,663 |

# W. E. Cork Added To Loblaw Board

William E. Cork of Toronto was elected a director of Loblaw Groceterias Ltd. at the recent annual meeting at Toronto. He replaces F. K. Morrow, president of Loblaw Groceterias Inc., the American organization. Milton Cork, president of the Canadian firm, stated that Mr. Morrow retired from the board of the Canadian company because of his "conflicting interests."

W. E. Cork is the elder son of Milton Cork, and has been with the Canadian Loblaw organization since its inception, latterly as general supervisor.

# Union Gas Profit Increases Sharply

Net profits of Union Gas Co. of Canada, after all charges except Dominion income tax, were $240,998 for the three months ended June 30, compared with $126,411 in the same period of 1936. The period is the first quarter of the new financial year. The earnings figures are those of Union Gas and the wholly-owned subsidiaries, Windsor Gas Co. and City Gas Co. of London. Results of United Fuel Investments, Hamilton subsidiary, are not included.

The Union Gas management states that gas sales in all its markets increased substantially in the three months.

Annual dividend rate of 60 cents a share is maintained with declaration of a quarterly payment of 15 cents a share payable Sept. 15 to shareholders of record Aug. 20. Earnings for the year ended March 31, 1937, were 99 cents a share.

The company has brought in two additional producing gas wells. One is in a new field under development, and the second, in the D'Clute field, is stated to be one of the largest in the history of the company.

# Investment Notes

**Winnipeg Electric**—Both gross and net earnings for the first half of this year show a small increase over 1936. Prospects are that company will be able to cover interest on the B bonds without difficulty for 1937.

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**Dominion Textile**—Labor trouble broke out this week in practically all of the company's Quebec plants. Normally this is a relatively quiet period in production. However the stock market recognized the situation. Dominion Textile's stock selling off nearly two points.

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**Amalgamated Electric**—Home improvements and an increase in residential building have increased demand for the company's products. Prospects are that the income statement this year will show the preferred dividend earned.

• • •

**Dominion Tar**—Both the common and preferred have been inactive in the market. Indications are that the company is experiencing an active year with profits on a larger scale.

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**Canadian Hydro**—The first preferred stock ran up five points to 90 on the news that the Ontario Court had approved the reorganization plan. The next step is for the operating subsidiary, Gatineau Power, to go to the Quebec Courts for approval of the merger.

• • •

**Nova Scotia Steel**—Debentures are bid at 74. Though the company has been in bankruptcy for several years, the liquidator has yet to issue a report. There are many security holders in this enterprise and not a few would like to know what has been and is being done by the liquidator to put the property back on its feet.

• • •

**Mersey Paper**—An interesting reflection of the increased confidence in the newsprint industry and its outlook, is the fact that 6% general mortgage bonds are bid half a point higher than the 5% first mortgage bonds.

• • •

**Foreign Power**—Continued uncertainty over the outlook for this company is reflected in the current bid of $1 a share for the common stock. Back in the good old days—1928—this stock sold as high as 56¼.

• • •

**International Nickel**—In the three months ended June 30, 1937, National Investors Corp., American investing company, reduced its holdings of International Nickel from 20,700 to 18,400 shares.

• • •

**Weston and McCormick's**—Some investment men express criticism of the guarantee being extended on proposed new bonds of McCormick's Ltd., control of which was recently acquired by George Weston Ltd. The complaint is that the guarantee is a large contingent liability senior to the 5% Weston preferred which was marketed last year. Large holders of McCormick's bonds and shares have approved the guarantee plan, as it gives them added security. The value of the whole McCormick's deal to the Weston firm depends upon continuation of profits for the combined enterprises.

• • •

**Hamilton Bridge**—With substantial increases in contracts on hand this year, the company is expected to have a much improved year. In 1936 it earned $76,466 or $3.50 a share on the preferred. It is possible that results for the year may work out somewhere above the earnings of $6.58 a share in 1931.

• • •

**Maple Leaf Milling**—The fiscal year closed on July 31, with considerable improvement in earnings. However, the company's fixed charges absorb about $600,000 annually, and the prospect appears to be that some further adjustment of debt obligations to the banks or bondholders may have to be made when the present period of relief expires in 1938.

## Significant Investors' Index Numbers

1926 = 100

| | Mach. and equip. | Pulp and paper | Milling | Oils | Textiles and clothing | Food and allied prod. | Beverages | Bldg. mater. | Power and traction | Banks | Total utilities | Total co's. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. of Securities | 8 | 6 | 4 | 4 | 10 | 13 | 7 | 14 | 15 | 9 | 19 | 96 |
| **1929-36:*** | | | | | | | | | | | | |
| High | 432.5 | 112.4 | 373.4 | 423.5 | 112.8 | 107.8 | 205.4 | 261.1 | 197.6 | 131.7 | 166.0 | 198.3 |
| Low | 30.2 | 3.0 | 37.7 | 87.7 | 30.8 | 73.8 | 33.5 | 44.3 | 47.1 | 63.1 | 36.9 | 43.3 |
| **1937:** | | | | | | | | | | | | |
| Jan. | 156.3 | 37.2 | 119.6 | 229.6 | 77.3 | 184.2 | 141.0 | 197.0 | 91.1 | 94.4 | 68.5 | 137.4 |
| Feb. | 163.4 | 36.7 | 120.7 | 235.2 | 78.5 | 186.2 | 139.3 | 202.5 | 97.5 | 96.7 | 73.1 | 142.4 |
| Mar. | 166.3 | 40.2 | 127.0 | 247.7 | 80.2 | 190.0 | 141.8 | 213.4 | 94.7 | 95.9 | 71.0 | 147.2 |
| Apr. | 157.5 | 47.1 | 117.4 | 230.4 | 79.9 | 182.4 | 133.4 | 204.8 | 85.1 | 94.0 | 64.1 | 136.2 |
| May | 151.5 | 38.5 | 109.4 | 229.6 | 77.5 | 178.5 | 126.4 | 186.4 | 84.0 | 92.7 | 63.0 | 132.2 |
| June | 148.1 | 36.3 | 103.7 | 220.2 | 77.7 | 177.7 | 131.0 | 179.5 | 84.1 | 92.3 | 63.2 | 129.4 |
| **Weekly Figures, 1937:** | | | | | | | | | | | | |
| July 1 | 142.4 | 35.9 | 102.5 | 216.6 | 77.2 | 176.4 | 126.3 | 179.2 | 83.4 | 90.9 | 62.5 | 127.7 |
| July 8 | 148.0 | 41.3 | 104.5 | 221.2 | 78.3 | 179.8 | 132.6 | 188.1 | 85.8 | 90.6 | 63.3 | 131.4 |
| July 15 | 148.4 | 40.4 | 103.4 | 221.6 | 79.3 | 181.9 | 135.9 | 190.1 | 86.3 | 90.6 | 63.1 | 131.9 |
| July 22 | 149.0 | 40.7 | 101.1 | 223.4 | 79.9 | 182.4 | 137.4 | 188.3 | 88.3 | 89.9 | 63.7 | 133.7 |
| July 29 | 147.1 | 39.0 | 99.8 | 223.6 | 81.6 | 183.9 | 137.8 | 188.8 | 90.1 | 90.0 | 64.8 | 134.7 |

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 20 Misc. Mines |
|---|---|---|---|
| Aug. 3 | 165.85 | 120.25 | 165.70 |
| Aug. 2 | —Holiday— | | |
| July 31 | 165.24 | 119.54 | 165.00 |
| July 30 | 165.98 | 119.76 | 164.66 |
| July 29 | 165.26 | 120.41 | 162.69 |
| July 28 | 165.45 | 121.17 | 164.05 |
| Month ago | 160.21 | 114.33 | 152.50 |
| Year ago | 134.35 | 146.86 | 142.08 |
| High, 1937 | 187.67 | 168.59 | 218.36 |
| Low, 1937 | 157.65 | 107.82 | 141.97 |

**Montreal Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd |
|---|---|---|---|
| Aug. 3 | 82.5 | 109.6 | 100.5 |
| Aug. 2 | 81.6 | 109.5 | 100.3 |
| July 31 | 81.7 | 108.9 | 99.8 |
| July 30 | 81.4 | 108.3 | 99.3 |
| July 29 | 80.8 | 107.5 | 98.6 |
| July 28 | 80.8 | 107.9 | 98.9 |
| Month ago | 79.1 | 105.9 | 97.5 |
| Year ago | 72.1 | 75.5 | 74.3 |
| High, 1937 | 92.5 | 122.5 | 109.5 |
| Low, 1937 | 74.8 | 100.3 | 92.3 |


**City of Port Arthur**
**4% Bonds**

| Amount | Maturity | Yield |
|---|---|---|
| $21,640 | 1937–41 | 2.75% |
| 26,329 | 1942–46 | 3.25% |
| 32,033 | 1937–51 | 3.75% to 4.05% |
| 32,396 | 1952–56 | 4.10% |

Descriptive circular furnished upon request.

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**Wood, Gundy & Company**
Limited


# Quebec Pulp Stays Closed

## Conditions Adverse to Raising Additional Capital

From Our Own Correspondent

MONTREAL.—Quebec Pulp and Paper has drafted no plans for the reopening of its pulp mill at Chicoutimi. Premier Duplessis has stated on several occasions that steps were being taken to reopen the mill. Such proposals as have been advanced to the Provincial Government have come from outside interests and not from the company.

Quebec Pulp, jointly owned by Price Bros. and Co. and Consolidated Paper, has extensive timber limits, developed and undeveloped water powers, mills, townsites, etc., in the Saguenay-Peribonka area.

Though the price of groundwood pulp has advanced in value, market conditions are still not favorable to the introduction of any large amount of new capital into the enterprise as a groundwood mill. A sulphite mill proposition would be more attractive. The Provincial Government is adverse to permitting the installation of further newsprint machines.

**Stockholders Protected**

Reports of the re-establishment of a pulp or paper industry at Chicoutimi has caused a number of preferred shareholders to believe that the Government would seize the property and hand it over to other interests who are willing to operate it. Such a procedure is most unlikely. In the first instance Quebec Pulp is not bankrupt. It has $550,000 of Dominion of Canada bonds in its treasury.

The principal liability is in an amount of about $1 million owing to the Quebec Government. The latter might be used by the administration as an excuse to cancel leasehold timber limits, but even that step would not materially weaken the position of the company.

**Holds Strong Position**

It would be very difficult, if not impossible, to establish a pulp or paper industry at Chicoutimi without purchasing the property of Quebec Pulp, for the latter owns outright a number of valuable assets, without which it would not be possible for a new enterprise to operate.

# Willson Stationers Earnings Better

## Equivalent to $9.90 a Share on Preferred—40 Cents on Common

Willson Stationers and Envelopes Ltd., Winnipeg, reports net profits for the year ended April 30, 1937, equivalent to $9.90 a share on the 5% preferred stock, compared with earnings in the preceding year equivalent to $5.50 a share. After preferred dividends earnings in the 1936-37 year amounted to 40 cents a share on the common.

Improvement in earnings was reflected in an increase of working capital to $474,091, compared with $462,469 in 1936.

Comparative figures follow:

**Income and Surplus Account**
**Years Ended April 30**

| | 1937 $ | 1936 $ |
|---|---|---|
| Gross profits | 367,057 | 331,989 |
| Less: Expenses | 353,078 | 337,033 |
| | 13,979 | *5,044 |
| Other income | 35,139 | 34,070 |
| | 49,118 | 29,026 |
| Less: Income tax | 9,664 | 7,157 |
| | 39,454 | 21,869 |
| Profit on plant | 144 | 133 |
| Net profit | 39,598 | 22,002 |
| Less: Pref. divs. | 20,000 | 5,000 |
| Surplus for year | 19,598 | 17,002 |

*Deficit.

# Toronto Stock Trading Shows Summer Decline

July volume on the Toronto Stock Exchange totalled 10,022,230 shares compared with 12,483,522 in June. Values of transactions were also lower at $25,548,479 as compared with $32,969,227 in the previous month. The figures combine both industrial and mining shares.

Price indices compiled by the exchange all advanced in July. The figure for gold shares rose 7.05 points to 119.94, miscellaneous mines gaining 14.45 to 165.0, while industrial shares advanced 7.42 to 165.24.

# Pacific Mills Profits Higher

## Last of Bonds Retired During Year—Balance Sheet Stronger

From Our Own Correspondent

MONTREAL.—Pacific Mills Ltd., British Columbia subsidiary of Crown Zellerbach Corp., reports a net profit of $576,658 in the year ended April 30, 1937, after depreciation, depletion and taxes. This compares with $294,712 in the previous 12 months.

During the past year Pacific Mills retired the last of its outstanding funded debt, the only liability other than current items being $600,000 of serial notes, payable to the bank, incurred to retire the bonds. These notes are due in equal annual instalments from Jan. 20, 1939, to the same date in 1942.

**Earned Surplus Larger**

The balance sheet as at April 30 shows current assets of $2.6 millions and current liabilities of $1 million, indicating a net working capital in excess of $1.6 million. The earned surplus as at the end of April last totalled $6.7 millions.

**Income and Surplus Account**
**Years Ended April 30**

| | 1937 $ | 1936 $ |
|---|---|---|
| Profits | 1,486,098 | ...... |
| Less: Depreciation | 631,985 | ...... |
| Depletion | 10,742 | ...... |
| Interest | 38,713 | ...... |
| Income tax | 228,000 | ...... |
| Net profit | 576,658 | 294,712 |
| Less: Pfd. dividends | 119,934 | |
| Com. dividends | 150,000 | |
| Surplus | 306,724 | |
| Previous surplus | *6,419,676 | |
| Surplus forward | 6,726,400 | |

*Adjusted.

## DIVIDEND NOTICES

### The Canadian Bank of Commerce

**Dividend No. 202**

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT
General Manager.

Toronto, 22nd July, 1937.

### McCOLL-FRONTENAC OIL COMPANY LIMITED

**Common Stock Dividend No. 32**

NOTICE IS HEREBY GIVEN that a dividend of 10 cents per share has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending August 31st, 1937, payable September 15th, 1937, to shareholders of record at the close of business on August 14th, 1937.

By Order of the Board,
FRED HUNT,
Secretary.

July 29th, 1937.

### FORD MOTOR COMPANY OF CANADA, LIMITED

**DIVIDEND NO. 39**

The Board of Directors has declared a cash dividend of twenty-five cents (.25) per share, payable on all of the outstanding shares of the company on Sept. 18th, 1937, to shareholders of record at the close of business August 28th, 1937.

D. B. GREIG,
Secretary.

Windsor, Ont.,
July 27th, 1937.

### CANADA WIRE AND CABLE COMPANY

**DIVIDEND NOTICE**

Notice is hereby given that an Interim Dividend of $6.00 per share has been declared on account of arrears of dividends on the outstanding Preference Shares of this Company, payable September 7th, 1937, to Shareholders of record 20th August, 1937.

By Order of the Board.
WILLIAM H. MARSH,
Secretary.

## DIVIDEND NOTICES

### Old Canada Investment Company Limited

**Dividend Notice**

Notice is hereby given that a dividend of 5% on the Preferred stock, and 6% on the Class "A" common stock of Old Canada Investment Company Limited has been declared, payable August 5, 1937, to Shareholders of record July 31, 1937.

By order of the Board.
A. H. McKENZIE,
Secretary.

Oshawa, Ontario.

### Borden's

**COMMON DIVIDEND No. 110**

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable September 1, 1937, to stockholders of record at the close of business August 14, 1937. Checks will be mailed.

*The Borden Company*
E. L. NOETZEL, Treasurer


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• To Yield from 3.15% to 7.00%


| | Rate | Maturity | Approx. yield |
|---|---|---|---|
| Dominion of Canada | 3¼% | 1949 | 3.15% |
| Dominion of Canada | 4½% | 1959 | 3.47% |
| MacLaren-Quebec Power Co., Limited | 5½% | 1964 | 5.31% |
| Great Britain & Canada Investment Corporation | 4½% | 1959 | 5.39% |
| Saguenay Electric Co., Limited | 5½% | 1953 | 5.55% |
| Canadian International Paper Co., Limited | 6% | 1949 | 5.67% |
| Queens Hotel, Limited | 6% | 1947 | 5.93% |
| Winnipeg Electric Co., Limited "A" | 4% | 1965 | 6.37% |
| Northwestern Utilities, Limited | 7/6% | 1938/49 | 6.61% |
| Burns & Co., Limited (Fixed Interest) | 5% | 1958 | 7.00% |
| International Bronze Powders, Limited | 6% | Pref. | 4.76% |
| Power Corporation of Canada, Limited | 6% | Pref. | 5.88% |
| McColl-Frontenac Oil Co., Limited | 6% | Pref. | 6.45% |


Full particulars on request

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal, P.Q.
Branches in the principal cities of Canada

**Bond Markets**

# McPherson Abitibi Plan Is Criticized By Ripley

## Saskatchewan Bonds Show Price Gain — Bond Financing For July Less Than Half the June Total

Reorganization plan prepared by the bondholders' protective committee for Abitibi Power & Paper Co. may be the only one to go before investors. The reorganization proposals of the liquidator, however, remain the chief alternative plan.

Each plan so far presented has met with criticism from interested parties and J. P. Ripley, chairman of the bondholders' protective committee, brings to the attention of the investor certain objections which he sees in the liquidator's plan, as follows:

(1) It does not provide sufficient money, and the proposed serial payment bonds really constitute a first lien ahead of the "alleged" first mortgage bonds to be given to present bondholders.

(2) There is an absence of pre-emptive rights for investors to subscribe to additional capital; and the conversion features lack provision for dilution by possible increase of the share capital.

(3) The proposed new 20-year first mortgage bonds are not convertible and no provision is made through this issue for possible future financing.

(4) The viewpoint of the bondholders' representatives, in brief, is that the liquidators' plan burdens the company with heavy fixed charges without giving adequate recompense in the form of conversion privileges for the sacrifices required of bondholders; and that the liquidator's proposals are not adequate to put the company on its feet for the benefit of all investors concerned, including the shareholders.

Little change has been noted in price of Abitibi 5% bonds during the past week, with the bid approximately 97, compared witht 97½ a week ago. If the bondholders' plan passes, experienced investment men believe the bonds should rise well above 100.

### *Alberta Defaults*

A bulletin issued recently by the Institute of International Finance, conducted by the Investment Bankers Assn. in connection with New York University, lays the blame for the default on Alberta bonds partly to the policy of the Aberhart administration, rather than to necessity.

Included in the Social Credit Government's financial programme was a provision for the cessation of borrowing, according to this bulletin, which adds: "In order to make the incurrence of additional debt unnecessary the Government determined to reduce expenditures by forcing a reduction in interest charges on the public debt."

The bulletin does not lay the entire blame for Alberta's default on the Aberhart administration, however. It goes to reports prepared by the Bank of Canada and the Alberta bondholders' protective committee to find that the province would have been unable to carry on if it had continued to pay full bond interest without obtaining assistance. This would probably have meant that the Dominion would have had to advance the entire cost of relief in the 1937-38 year

• • •

### *No Brazilian Settlement*

Failure of the Brazilian financial mission to propose a plan for temporary settlement of the defaulted debts before leaving the United States to return to Brazil increases fears that the Brazilian Government's proposals will be announced without arriving at an agreement with bondholders' representatives.

American holders of Brazilian bonds look to the ability of the Brazilian Government to contract for future purchases of $60 millions gold as clear evidence of ability to increase bond interest payments. Reports from New York indicate that an increase in scale of payments to 75% compared with the present 50% is looked for.

• • •

### *July Financing*

An increase of approximately $20 millions in July, 1937, financing by Canadian Government, provincial and municipal borrowers as compared with July, 1936, is noted by Wood, Gundy & Co. in their summary. Approximately $66.1 millions of the $76.7 millions of bonds offered in July, 1937, were for refunding purposes with the balance of $10.6 millions representing new capital. All financing was done in Canada.

Dominion financing was entirely in the form of treasury bills and the net result was an increase of $5 millions in the amount outstanding. Provincial issues included a $20-million Ontario issue for refunding purposes and $4.1 millions of new capital raised by the Province of Nova Scotia.

Total Government and municipal financing for the first seven months of 1937 is estimated by Wood, Gundy & Co. at $705.2 millions of which all but $85 millions has been placed in Canada.

Financing by Canadian corporations during July, 1937, included a $12.9 millions refunding issue by Quebec Power Co., $14.3 millions of equipment trust certificates sold by Canadian National Railways and $6 millions of refunding bonds issued by Dominion Coal Co.

Canadian Bond Financing
July, 1937

| | Total | Refunding |
|---|---|---|
| Dom. Gov. treas. bills | $50,000,000 | $45,000,000 |
| Provincial | 24,077,000 | 20,000,000 |
| Ontario municipal | 1,093,075 | ........ |
| Quebec & Maritime munic. | 501,300 | 62,000 |
| Western municipal | 1,055,000 | 1,055,000 |
| Totals | $76,726,375 | $66,117,000 |

Corporation Bond Financing
7 Months Ended July 31, 1937

| | Total | Refunding |
|---|---|---|
| Public utility | $ 30,618,500 | $29,466,700 |
| Railway | 30,380,000 | ........ |
| Indus. & miscell. | 60,807,300 | 47,481,300 |
| Totals | $121,805,800 | $76,948,000 |

• • •

### *Bond Prices Firm*

The market for high-grade Canadian Government bonds has continued firm with little change in prices, as can be seen from The Financial Post index below. Provincial bonds have changed very little in price in the past week with the exception of Saskatchewan issues, where advances of from two to four points are noted.

The week's trend in high-grade Government bond prices is given in the index which follows.

Average Price and Yield for Seven High-Grade Government Bonds

| 1937 | Price $ | Yield % | 1936 | Price $ | Yield % |
|---|---|---|---|---|---|
| Aug. 3 | 113.93 | 3.260 | Aug. 1 | 116.97 | 3.057 |
| July 31 | 113.89 | 3.277 | July 31 | 116.97 | 3.057 |
| July 30 | 113.83 | 3.277 | July 30 | 116.86 | 3.069 |
| July 29 | 113.83 | 3.277 | July 29 | 116.82 | 3.070 |
| July 28 | 113.79 | 3.280 | July 28 | 116.79 | 3.070 |
| July 27 | 113.80 | 3.278 | July 27 | 116.73 | 3.079 |
| Year's | 3.206 | 116.61 | Year's | 2.906 | 117.91 |
| Range | 3.505 | 111.80 | Range | 3.507 | 111.50 |


## Quebec Power Company

NOTICE OF REDEMPTION

**To the holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, of Quebec Power Company.**

NOTICE is hereby given that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from QUEBEC POWER COMPANY to NATIONAL TRUST COMPANY, LIMITED, Trustee, bearing formal date of December 1, 1928, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, on the first day of September 1937, at ONE HUNDRED AND THREE AND ONE-HALF PER CENT (103½%) of the principal sum thereof, with accrued interest on such Bonds and Registered Debenture Stock to the said first day of September 1937.

Holders of the said Bonds are required to present their Bonds on September 1, 1937 either at the principal office of THE ROYAL BANK OF CANADA, 360 St. James Street West, in the City of Montreal, Canada, or at the principal office of the BANK OF THE MANHATTAN COMPANY, 40 Wall Street, in the Borough of Manhattan, The City of New York, United States of America, for redemption on the said date. Bonds must be accompanied by the interest coupons appertaining thereto which mature on and after December 1, 1937.

Holders of the said Registered Debenture Stock are required to surrender their Debenture Stock Certificates on September 1, 1937, at the principal office of THE ROYAL BANK OF CANADA, 6 Lothbury, London, E. C. 2, England, for redemption of such stock on the said date.

In case such Bonds and Debenture Stock Certificates are not presented for redemption on September 1, 1937, at the respective places hereinabove designated, all interest on the said Bonds and Registered Debenture Stock will cease to accrue from and after the said date.

Dated at Montreal this 27th day of July, 1937.

QUEBEC POWER COMPANY

JAMES WILSON,
*Secretary.*



## Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Clasified ads. payable in advance.

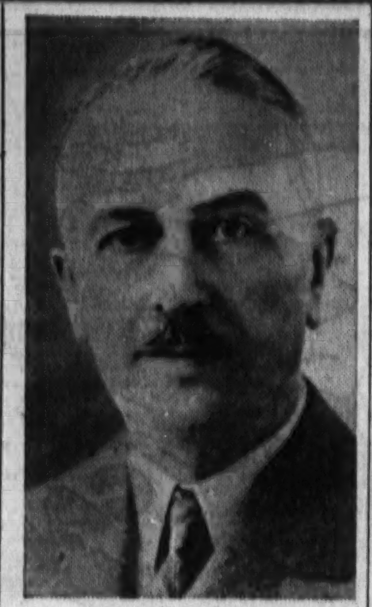
### *WANTED*

SMALL DAILY OR WEEKLY. AN experienced newspaper man would like to secure a part or whole interest in a good small city daily or town weekly. Would pay cash. Give full details. Box 100, The Financial Post, Toronto.

### *Engineer Wanted*

PUBLIC Works Engineer for the Municipality of Teck Township. Salary $325.00 per month. All applications to be in by August 10th, 1937, with particular reference to construction experience and Municipal Waterworks and general Municipal lines. State if O.L.S. qualifications. Apply with qualifications, record of experience, and references; to Chairman Public Works Committee, Teck Township, Kirkland Lake, Ontario.

SASK. BARRISTER — FORCED TO give up once flourishing practice on account of drought, seeks suitable position —20 years standing at the Bar, organizing ability, speaks German, some knowledge of French, married. Willing to go anywhere and undertake anything. Address Box 107, Financial Post, Toronto.

***BANK DIRECTOR***

L. A. Lovett, of the legal firm of Lovett, MacDonald & McGinnes, Halifax, who has been elected a director of the Bank of Nova Scotia. Mr. Lovett is a director of the Nova Scotia Trust Co.

# C.P.R. Revenues Show 22% Gain

## Rate of Increase Less During June Than Preceding Months

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railways' net operating income for the first half of 1937 showed an increase of about 22 per cent over that for the corresponding period of 1936.

Gross income for the half year totalled $66.8 millions, an increase of better than $4.7 millions over the last year's returns. All but $1.5 million of this increase was taken up in additional working expenses, leaving net earnings at about $8.3 millions as against $6.8 millions a year ago.

The increase in net at the end of the half year was practically the same as at the end of May. During June gross earnings amounted to $11.4 millions, an increase of $461,352 over the same month last year. Working expenses absorbed all but $19,561 of this gain, so that net income was much the same as a year ago.

Returns for June and the six months ended June, 1937, together with comparative figures for last year, follow:

| June: | 1937 $ | 1936 $ |
|---|---|---|
| Gross earnings | 11,418,963 | 10,957,610 |
| Working expenses | 10,223,852 | 9,782,061 |
| Net earnings | 1,195,111 | 1,175,549 |
| 6 Mos. end. June 30: | | |
| Gross earnings | 66,790,261 | 62,044,346 |
| Net earnings | 8,260,154 | 6,790,990 |

# Standard Fuel Earnings Drop

## Mild Winter Causes Decline of Over 70% in Net Profit

Standard Fuel Co. shows a shrinkage of over 70% in net profits for the year ended April 30, 1937, as compared with the preceding year. After preferred and common dividends there was a deficit of $65,414, and a decline of some $11,000 in net working capital.

Net profits were equivalent to $3.10 a share on the 6½% preferred, compared with $11.27 a share in the preceding year. There was a deficit of 81 cents a share on the common after preferred dividends, compared with earnings of $1.02 a share in the preceding year.

Although explanation of the decline in earnings is not given in the annual report, it is understood to be due largely to mild weather last winter in the Toronto area.

Comparative figures follow:

| | Apr. 30 1937 $ | Apr. 30 1936 $ |
|---|---|---|
| Operating profit | 113,344 | 225,956 |
| Less: Exec. salaries | 22,000 | 21,000 |
| Legal expenses | 478 | 233 |
| Less: Directors' fees | 4,500 | 4,500 |
| Income from oper. | 86,366 | 200,223 |
| Add: Invest. income | 4,987 | 5,173 |
| Net earnings | 91,353 | 205,396 |
| Less: Depreciation | 38,124 | 38,325 |
| Res. for taxes | 15,016 | 31,377 |
| Preliminary exps. | 1,399 | 1,399 |
| Net profit | 36,814 | 134,295 |
| Less: Appropriations: | | |
| Preferred dividends | 77,228 | 77,549 |
| Common dividends | 25,000 | 25,000 |
| Surplus for year | *65,414 | 31,746 |
| Add: Previous surplus | 344,804 | 313,058 |
| Adjusts. applic. to pr. years | 625 | ...... |
| Surplus forward | 280,015 | 344,804 |

*Deficit.

Working Capital Position

| | | |
|---|---|---|
| Current assets | 1,189,463 | 1,221,188 |
| Current liabilities | 369,563 | 290,068 |
| Net working capital | 819,900 | 931,120 |

### Listed Bonds

Week Ended Aug. 2

| | Int. rate | Due | High | Low | Range 1937 High | Low |
|---|---|---|---|---|---|---|
| Mtl. L. H. & P. Debs. | 3 | '39 | 50½ | .. | 50½ | 50½ |

### Investment Trusts

| | Bid | Asked |
|---|---|---|
| Can. Amer. Trust | 4.65 | 4.85 |
| Can. Invest. Fund | 4.60 | 4.95 |
| All Can. Trustee | 14.27 | 14.75 |
| Trans Canada | 15.00 | .... |
| Grouped Income | 6.66 | 7.30 |
| Can. Equity | 12.75 | 13.25 |
| Can. Int. Tr., modifitd | 6.00 | 6.50 |
| Do., unmodified | 5.50 | 6.00 |


We maintain an active market in the following:

**MUNICIPAL BONDS**

| | | |
|---|---|---|
| New Toronto | Yorks | Sandwich |
| Niagara Falls | Sudbury | Thorold |
| Leaside | Mimico | Riverside |
| Etobicoke | Windsor | Trenton |
| Scarboro | Walkerville | Fort Erie |
| Leamington | Ford City | |

Windsor, Essex and Lake Shore Railway
Walkerville and East Windsor Water Commission

*Inquiries Invited on Any Ontario Municipal Bonds*

**DRAPER DOBIE & CO.**

MEMBERS
THE TORONTO STOCK EXCHANGE
ADELAIDE 9171

330 BAY STREET — TORONTO


# Canad'nHydro Plan Ratified

## Ontario Court Gives Approval Despite Opposition From Meighen

Exchange of first preferred stock of Canadian Hydro-Electric Corp. for preferred and common shares of Gatineau Power Co. has been approved by Mr. Justice C. P. McTague in Supreme Court of Ontario. In sanctioning the arrangement, the court stated there was no question that first preferred shareholders of Canadain Hydro would be making a sacrifice but he could not find that the majority of shareholders did not exercise good judgment in voting to make the exchange of shares.

The arrangement is that each share of Canadian Hydro 6% first preferred with $12.50 a share of dividend arrears is to be exchanged for one share of Gatineau Power 5% preferred and one and one-half share of Gatineau common.

**Case of Opponents**

Henry Borden, counsel for opponents of the scheme, stated that holders of the 6% preferred are being divested of very important property rights by the proposed arrangement. He stated that under the Canadian Hydro charter all arrears of dividends on the first preferred had to be paid, and funds sufficient for a year's dividends on that stock had to be set aside, before any dividends were payable on the second preferred and common stock.

He contended that holders of the first preferred would lose the advantage of that provision of the charter if the compromise were approved. He also stated that holders of the first preferred would lose advantages in respect of voting powers if the compromise were carried out.

Mr. Borden raised a question of the authority of the Dominion Government to provide in the Companies Act that minority shareholders of a Dominion company can be voted into a compulsory exchange for shares of a Quebec company. The court, however, did not rule on whether this aspect of the Dominion Companies Act is within the power of Parliament.

**Meighen Objects**

Opposing the exchange of shares, Senator Arthur Meighen, president of Canadian General Investments Ltd., stated that the proposal was "unfair, unreasonable and oppressive."

A. G. Slaght, K.C., counsel for Canadian Hydro-Electric Corporation, stated that 96% of the invested capital of the company had voted in favor of the compromise and only 4% against it. This statement clearly refers to the fact that International Hydro-Electric System which owns practically all of the second preferred and common shares of Canadian Hydro, voted them in favor of the scheme.

**Further Steps**

The next step in the plan to merge the two properties is to secure approval of the Quebec courts. Application to this end will be made by Gatineau Power, which is a Quebec corporation. After that has been done, it will be necessary to have the approval of the Quebec Electricity Commission.

International Hydro-Electric System, which controls Canadian Hydro directly and Gatineau Power indirectly, recently received the sanction of the U. S. Securities & Exchange Commission to the merger of the two Canadian firms. The S. E. C. took the stand that the interests of Canadian Hydro first preferred were largely the concern of Canadian and British shareholders who would have recourse to Canadian courts for their protection. The S. E. C. therefore avoided ruling on the merits of the offering of new Gatineau shares to holders of Canadian Hydro first preferred.

### Bond Sales

**Treasury Bills**

The Dominion of Canada sold $25 millions of treasury bills on July 30, 1937, at 99.83902, an average cost basis of .633%. This issue is dated July 31 and matures Nov. 1, 1937. On July 14 a sale of treasury bills was made at a cost basis of .632% which constituted a record low cost for this type of financing by the Dominion.

• • •

**Province of Nova Scotia**

Province of Nova Scotia has sold a $4,077,000 issue of 2½% four-year debentures and 3½% nine-year debentures to a syndicate headed by Bank of Montreal and Wood, Gundy & Co. The syndicate includes a large group of investment dealers and banks.

The $1,528,000 of 2½% debentures are being offered at 99.06 to yield 2.75% and the $2,549,000 of 3½% debentures at 99.75 to yield 3.53%. Of the proceeds of this issue $3,775,705 will be used for highway construction and the balance for general purposes.

• • •

**Cornwall, Ont.**

Town of Cornwall, Ont., has awarded an issue of $40,000 3½% 20-installment debentures to Dominion Securities Corp. on a bid of 102.378. This makes a cost basis of 3.25%. Complete list of bids follows:

| | Bids |
|---|---|
| Dominion Securities Corp. | 102.378 |
| A. E. Ames & Co. | 101.65 |
| R. A. Daly & Co. | 101.634 |
| Bartlett, Cayley & Co. | 101.14 |
| McLeod, Young, Weir & Co. | 101.0 |
| Griffis, Norsworthy, Ltd. | 100.90 |
| J. L. Graham & Co. | 100.177 |
| Nesbitt, Thomson & Co. | 100.09 |

• • •

**Port Arthur, Ont.**

City of Port Arthur, Ont., has awarded $148,600 of 4% debentures to Wood, Gundy & Co. The successful bid was 100.58 giving an average cost basis of 3.93%. Proceeds of the issue will be used for local improvements. Bids received included the following:

| | Bids |
|---|---|
| Wood, Gundy & Co. | 100.58 |
| Fry & Co. | 100.472 |
| R. A. Daly & Co. | 100.04 |
| A. E. Ames & Co. | 99.25 |
| Cochrane, Murray & Co. | 99.17 |

### Stock Sales

| | Montreal Markets Indust. | Montreal Markets Mines | Toronto Markets Ind. & Mines |
|---|---|---|---|
| Aug. 2 | 15,700 | 22,800 | ...... |
| July 31 | 12,000 | 26,400 | 214,000 |
| July 30 | 20,700 | 40,800 | 410,030 |
| July 29 | 17,300 | 42,400 | 403,000 |
| July 28 | 31,600 | 47,500 | 532,000 |
| July 27 | 20,700 | 43,800 | 305,000 |

# *Lake St. John Power Profit Exceeds Preferred Dividend*

From Our Own Correspondent

MONTREAL. — Lake St. John Power and Paper's newsprint mill at Dolbeau continues to operate at close to effective capacity. The machines were not run at full speed during July, so that it is possible to pick up a small increase in production by running them full out.

Earning power not only reflects full time operations, but the higher price for newsprint: $42.50 a ton as against $41 a ton a year on standard contracts. At the present rate of income, the returns for 1937 will show all bond and debenture interest earned, as well as the preferred dividend, with a balance of better than $1 a share on the common stock.

**More For Equity Holders**

The change which has taken place in earning power is well illustrated by an examination of the returns for 1936. In that year the company covered bond and debenture interest, but was short of the dividend on the preferred. It now appears that net income for 1937 will run around $250,000 or better after interest charges, compared with $103,001 in 1936.

Sale of surplus sulphite pulp is proving a profitable source of revenue. The company has about 12,000 tons for sale, which is fetching around $60 a ton. In this connection the company has installed equipment for packing and shipping the pulp. The capital outlay will be covered out of this year's earnings, so that the profit from pulp sales will not figure so largely in the income account as might otherwise be the case.

There is no official information available as to dividends on the preferred or common this year. Under the reorganization terms, the company cannot pay a dividend as long as any bonds or debentures are outstanding, if the distribution would lower net working capital below $1.5 million, or almost equal to the amount reported at the end of 1936. Technically there are no obstacles to the payment of dividends on the capital stock, nearly all of which is owned by St. Lawrence Paper Mills.

# Elevator Firm Revenue Gains

## North American Elevators Benefits from Larger Wheat Exports

Gross revenue of North American Elevators Ltd., operating a grain elevator at Sorel, Que., rose from $129,483 to $229,879 for the year ended April 30, 1937. Expenses also increased substantially but a net profit of $4,835 is reported compared with a loss of $1,500 in the preceding year.

Export shipments in 1936 showed a large increase in volume over recent years, according to Joseph Simard, president, and the Sorel elevator obtained its share of the business. Higher exports and a short crop in western Canada reduced the volume of grain available for winter storage and earnings from this source were practically negligible. The company, however, has equipped its elevator with a marine unloading leg and other equipment to handle imports of corn through St. Lawrence ports.

Income and Surplus Account
Years Ended April 30

| | 1937 $ | 1936 $ |
|---|---|---|
| Gross earnings | 229,879 | 129,483 |
| Less: Oper. expenses | 91,732 | 52,651 |
| Admin. expenses | 35,212 | 17,963 |
| Net earnings | 102,935 | 58,869 |
| Less: Depreciation | 63,314 | 27,455 |
| Interest | 33,785 | 32,914 |
| Inc. tax provision | 1,000 | ...... |
| Net profit | 4,836 | *1,500 |

*Deficit.

## Canada Wire & Cable Pays on Its Preferred

From Our Own Correspondent

MONTREAL.—Directors of Canada Wire & Cable Co. have declared an interim dividend of $6 a share on account of preferred arrears, payable Sept. 7 to shareholders of record Aug. 20.

On payment of the current declaration, the remaining arrears will total $15.12½ per share.

This preferred stock was issued in April, 1929. Regular dividends were paid up to and including December 15, 1932. Distribution was deferred until Oct. 1936, when $3.25 a share was paid. At intervals since that time the company has made various declarations.

### Bond Redemptions

| Bond Issues: | Rate | Year | Date | Price |
|---|---|---|---|---|
| Can Steamships | 5% | 1943 | Aug. 15 | 105 |
| Can. Cons Rub. | 6% | 1946 | Oct. 1 | 110 |
| B. Amer. Oil† | 4% | 1945 | Sept. 1 | 102 |
| Eastern Car | *6% | 1952 | Aug. 6 | ... |
| Religious Issues: | | | | |
| Hotel Dieu St.-Valier, Chicoutimi | 5% | 1937 | Oct. 1 | ... |

*Tenders called for sinking fund purposes. $839,490.
†For sinking fund purposes, $207,000.


*Direct Private Wire Facilities to*

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**J. R. Timmins & Co.**

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|---|---|---|
| 61 Broadway and Chrysler Building | 347 Bay Street Tel. * ADel. 8139 | Royal Bank Building |



**NOTICE**

To the SHAREHOLDERS of

**ANGLO-CANADIAN Development and Holding COMPANY LIMITED**

TAKE NOTICE that pursuant to the resolution passed at the Special General Meeting of the Shareholders of this Company on the 12th day of July, 1937, all shareholders are required on or after the 11th day of August, 1937, to surrender their share certificate or certificates to the Trusts and Guarantee Company Limited, 227, 8th Avenue West, Calgary, Alberta. On such surrender each shareholder shall receive a certificate or certificates representing ten fully paid shares of no nominal or par value for each fully paid share of no nominal or par value represented by the certificate or certificates so surrendered. Each shareholder shall be entitled to receive without charge one certificate in respect of each certificate so surrendered, but any shareholder desiring more than one certificate for each certificate so surrendered may obtain the same upon payment of a charge of fifty cents for each additional certificate obtained.

The shareholders are urged to assist the Company by surrendering their certificates as soon as possible after the date above fixed.

Dated at Calgary, Alberta this 30th day of July, 1937. By Order of the Board,

H. E. HOWARD,
Secretary.



# INDEPENDENT EXAMINATION OF SPLIT LAKE GOLD PROPERTY FOLLOWED BY LARGE INVESTMENT

## Underground Development Under Way This Week

**We are pleased to announce that following an independent examination of the Bigstone Bay property of Split Lake Gold Mines, a deal involving $170,000.00 (net to the Treasury) has been arranged for the further development of the property. One individual has made a personal investment of $25,000.00, and the underground development program is being started this week. This brings to a close the company's public offering of shares at 20 cents per share, and applications which are mailed to the company after Monday, the 9th day of August, 1937, will necessarily be returned. Applications mailed before the above mentioned closing date will be subject to allotment.**

**THE ORIGINAL DISCOVERY** on the Bigstone Bay property of Split Lake Gold Mines Limited was made in 1936. The discovery consisted of a strong vein of quartz and schist now known as Vein No. 1. Heavy showings of visible gold have been disclosed through work on this vein and this ore zone has been traced for approximately 1,400 feet in length. This deposit has not yet been properly tested but embraces important prospects for the development of a commercial ore body.

**SUBSEQUENT WORK** has uncovered another vein at a point about 170 feet from and paralleling the No. 1 Vein. This discovery is of major importance and is now known as No. 2 Vein. Dr. J. F. Wright, geologist, systematically bulk-sampled this deposit. Amalgamation (mill) tests were made on the large samples taken by Dr. Wright and the mill heads or average grade showed $41.65 in gold per ton of ore with an average recovery of $39.55 in gold per ton of ore. The No. 2 Vein has already been stripped for a length of 65 feet and shows an average width of three feet. The samples were taken over the full length exposed. Since that time vein sections have been exposed at intervals over a length of 1,500 feet along the strike of this vein proving the break to be continuous and consequently proving possibilities of much greater length.

**ANOTHER VEIN** (No. 3) has been uncovered at a point 400 feet from and paralleling the No. 2 deposit. This vein has been traced approximately 1,300 feet and impressive showings of visible gold have also been disclosed here. This vein has not yet been put in shape for systematic sampling, but is also very strong and offers important possibilities for the development of commercial ore.

**A RECENT DISCOVERY**, south of No. 1 Vein, has been exposed for about 100 feet in length and seven samples taken from this yielded $6.30, 35c, $11.30, $60.40, $37.30, $166.00 and $60.65 in gold per ton of ore. Very little work has as yet been completed on this vein but its importance will be determined as quickly as possible.

**GEOLOGY.** In a report dated March 13th, 1937, Dr. Wright stated: "So far as I can gather I do not know of a locality that justifies very detailed exploration more than this particular spot. In some respects the set up, that is a boss of granodiorite surrounded by greenstone, is ideal. Gold is known to be present at many places in this general vicinity, and I feel this territory very well justifies a considerable expenditure in exploration work. It may be that a substantial ore body could be indicated or it may be that several smaller ore bodies as your No. 2 deposit could be located and the ore from these could be milled in a central mill. This whole question should be considered and a good program of work outlined with something in view as I have indicated above."

**TRANSPORTATION.** The property is located within six miles of the Canadian Pacific Railway at Kenora. Operating or production costs comparable with those of Kirkland Lake and Porcupine should therefore be possible.

**PROPERTY and ACREAGE.** The property has been purchased outright by Split Lake Gold Mines from the original owners and consists of a total of approximately 270 acres with over three-quarters of a mile in length along the strike of the deposits referred to.

**DEVELOPMENT PROGRAM.** As recommended by Dr. Wright a shaft is being sunk directly on the No. 2 Vein and upon completion of this to the first level, drifts are to be started in both directions along the strike of the deposit and crosscuts driven at right angles to the No. 2 Vein to cut the downward continuation of the No. 1 Vein and No. 3 Vein.

**MANAGEMENT.** H. L. Donaldson (operating manager) is a well-known mining engineer, identified for many years with precious metal mining in Ontario and other parts of Canada. Mr. Donaldson was for a number of years manager of the Beaver Consolidated, one of the largest silver producing mines of Cobalt, and identified with the early development of the Kirkland Lake Gold Mine, underground superintendent of the Schumacher Mine, (one of the early producers of Porcupine and now a part of Hollinger Consolidated) and other mining enterprises. Mr. Donaldson is now at the mine, where he will reside, and is proceeding with the work preliminary to the program of underground development with a view to establishing the mine on a producing basis as quickly as possible.

Dr. J. F. Wright (consulting geologist) was formerly with the Dominion Department of Mines and carries with him a wide knowledge of precious metal mining in Canada and other countries.

**CONCLUSION.** A large amount of work has already been completed on the property, including the erection of a mine office, cookery, sleeping camps and storehouse and the company already has a complete convertible mining plant and equipment capable of working to 1,000 feet in depth. In view of the results so far obtained in the form of consistently high average values over important lengths and widths, the underground development program may reasonably be expected to quickly place a sufficient tonnage of high grade ore in sight to permit establishing the mine on a production basis.

The right is reserved to reject applications in whole or in part and also to award in any case a smaller number of shares than applied for. Applications should be mailed direct to Split Lake Gold Mines Limited, Bank of Hamilton Building, Toronto, Ontario.

# SPLIT LAKE GOLD MINES LIMITED

BANK OF HAMILTON BUILDING - - - - TORONTO, CANADA

| | |
|---|---|
| CAPITALIZATION (No Par Value) | 4,000,000 shares |
| Incorporators' Shares Issued | 5 shares |
| Issued for Properties | 1,565,000 shares |
| Sold Through Financing | 783,061 shares |
| Held by the parent company Smelter Gold Mines Limited to provide for such further financing as may be deemed necessary and advisable | 1,711,934 shares |

OFFICERS AND DIRECTORS

| | |
|---|---|
| President | HUGH C. McRAE, Toronto, Ontario |
| Secretary-Treasurer | GLEN A. REA, Toronto, Ontario |
| Managing Engineer | HARRY L. DONALDSON, Toronto, Ontario |
| Director | DANIEL L. JARVIS, Toronto, Ontario |
| Director | W. S. KICKLEY, Winnipeg, Man. |

SOLICITORS
ROBERTS, OSBORNE & ARCHIBALD
Canada Permanent Bldg., Toronto

To SPLIT LAKE GOLD MINES LIMITED,
1104 Bank of Hamilton Bldg., Toronto, Canada.

Kindly forward further information regarding Split Lake Gold Mines Limited.

Name ..................
Address ..................

To SPLIT LAKE GOLD MINES LIMITED,
Head Office, 1104 Bank of Hamilton Bldg., Toronto.

Gentlemen:
I hereby make application for ........ shares of the Capital Stock of SPLIT LAKE GOLD MINES LIMITED (4,000,000 shares) at 20 cents per share.
Enclosed please find the sum of ........ Dollars
dated this ...... day of ........ 1937.
Kindly issue and mail these shares to:

Name ..................
Address ..................
Witness ..................
All Moneys to be paid direct to the Company.

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TORONTO, AUGUST 7, 1937


## The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

## Higher Real Wages

CANADIAN workers are drawing a higher real wage today than they did at the peak of the last boom in 1929.

Taking 1929 figures as equalling 100, the index of wages in a group of representative Canadian industries fell between 1929 and 1936 from 100 to 91.1.

At the same time the cost of living in Canada fell from 100 to 79.6.

Thus the cost of living fell much more than wages. In consequence, the real wage of the employed worker—or to put it another way, the purchasing power of the contents of his pay envelope—increased from 100 to 114.5.

Since the end of 1936 there has been a slight increase in the cost of living in Canada but wage increases have been general.

These figures may provide small comfort to the man who is still out of a job but, fortunately, unemployment is decreasing daily.

Between 1913 and the present time, the purchasing power of the pay envelope in Canada has increased by 50%.

The working man is getting an increasing share of the benefits of the scientific use of power and machinery in production. This is as it should be. Any economic system that could not, from decade to decade, increase the standard of living of the people would be a poor economic system, indeed.

## Another Control for Patronage

CURRENT dispatches from Ottawa indicate, if the events of which they tell are to be taken as significant of a policy or trend, that some effort is to be made at long last to control the political contractor and the wholesale operator in Government patronage.

First herald of the possibility of a new dispensation was the formation of a non-political interdepartmental committee of senior civil servants to award the contracts which are to be let in connection with the Government's expenditure of $35,000,000 during the present year upon a policy of reasonable military preparedness.

Now comes the new practice of having St. Lawrence dredging contracts recommended by another interdepartmental committee and of having the prices certified as "fair and reasonable" by the ship channel engineering staff.

Nor is this all for, in addition to this step perhaps the most surprising of all, the Sorel shipyard, which the Government has operated since the turn of the century and which successive ministries have found a convenient means for the exercise of wholesale patronage, is to be sold.

Viewed as a whole, this is an astonishing sequence of events. Those who know the part that dredging contracts and the Sorel shipyards have played in Federal politics in Quebec will hope that any radical change with respect to them will mean the loss of the "gravy" on which the stalwart political henchmen of both parties have fattened in years past. The appointment of the interdepartmental committees for dealing with Government contracts is, for its part, a step equally drastic.

Nominally, at least, all important Government contracts are awarded by competitive tender and that situation has prevailed for several years. Yet it is a matter of common knowledge that the system of competitive tendering has not been successful in eliminating politics as a factor. Sometimes the competition is more pretended than real. Sometimes there are "understandings" between the contractors and the politicians which are reflected in the tenders. Deals for "rake-offs" to party funds are too often alleged not to have some basis of truth to account for their origin. The customary "rake-off" to the party is 10%.

As a result of this partial failure of the tendering system—great improvement though it has been over what went before—new controls were needed in safeguarding the expenditure of the public's money. A new effort to provide such control is the requirement of approval by non-political committees of senior civil servants, whose status is such as to enable them to function without any fears for their positions should they chance to run foul of some politician in their disposition of any contract. That is the sort of a committee that has been set up on armament contracts. Such men as Col. L. R. Lafleche, Deputy Minister of National Defence, Dr. W. Clifford Clark, Deputy Minister of Finance, Fraser Elliott, K.C., Chief Commissioner of Income Tax—these men and others like them are certainly not going to be responsive to political influence. They do not have to be. And the same will apply, let us hope, to the interdepartmental committee on St. Lawrence dredging contracts and to the ship channel engineering staff.

Politics is supposed commonly to breed cynicism. Undoubtedly there will be many, and perhaps with a good deal of reason, who will be sceptical of any real reform being involved in the new procedure and will look instead for the back door by which the political party treasurers will still manage to enter and collect the standard 10% on each contract. Taking the changes at their face value, however, it would seem as though real progress were being made in the direction of that wholly desirable goal—still afar off—at which members of a government will spend the money of the people as carefully as they would spend their own.

## More Mischief-making

WHAT is it that Liberty magazine has against Great Britain? Why does it seek to stir up hatred of the Mother Country?

Four months ago, Liberty ran an article headed "To Hell With These Debt-Settling Foreigners." It presented England in the rôle of a crafty gangster seeking to lead the United States into the trap of another war. It was a vile and malicious piece of journalistic diatribe against the British people.

The current issue of Liberty is at it again. The associate publisher for Canada, Wilbur M. Philpott, writes under the heading of "The English Don't Like Us." The "Us" seems to be Canada and Canadians.

He says that a genuine friendship for Canada is becoming as difficult to discover in England as sentiment in the glass eye of a pawnbroker. Canada was accorded the "relative social position of an onion" at the recent Coronation, says Philpott. British newspapers are carrying on a "skilful and relentless boycott against Canada." And so on.

Those who actually attended the Coronation ceremonies do not speak and write as Liberty's "associate publisher," who listened to them on his radio. Canadians received preference in the Abbey seats. They were accorded high ranking in all ceremonial functions. Canadian troops were vociferously greeted and the R. C. M. P. were asked to put on a special display for Princess Margaret Rose. At the Imperial Conference Canada's prime minister was treated as a distinguished world statesman.

The publisher of Liberty is Bernarr H. MacFadden, who made a fortune parading nudity in the disguise of physical culture until he was able to summon up the nerve to go wholeheartedly after sex "confessions" in a group of magazines published for frustrated morons. A few years ago he added Liberty to his string. There is a special "Canadian" edition of Liberty but how Canadian it is is shown by the article referred to.

Such efforts by a muck-raking American sheet to stir up strife between Great Britain and Canada are resented by the Canadian people.

## The Truth About Our Wheat

CREDIT for getting rid of Canada's wheat surplus with little loss, states the Vancouver Daily Province, should not go to James R. Murray but to "John I. MacFarland and the Bennett government." It is hard to account for this astounding contention. It is on a par with the sea serpent stories from the Pacific Coast.

During the McFarland wheat board régime, instead of the surplus going down, it piled up steadily until Canada had accumulated sufficient wheat to supply total world export requirements for an entire year without a single bushel of new crop. When Mr. Murray was called in to handle the job in December 1935, the carryover had reached the record total 295 million bushels with over 50 million bushels more coming in from the current crop.

This mountain overhanging a market notorious for its sensitiveness had completely stifled all chance of price rise. As a result western wheat growers were getting depression low prices for a series of short crops which under normal conditions would have been sold at a premium. As soon as Mr. Murray got the major portion of these old stocks out of the way, but not before, prices began to rise.

If the McFarland holding policy had been continued and if Canada still possessed the greater part of the recent carryover, then drought stricken farmers this fall would still have been getting far under a dollar a bushel for a crop which because of scarcity, has cost them much more than average to produce.

## Was This a "Double Cross"?

ONE of the deplorable things about many of the United States publications given free access to this country is their unwillingness to report, in an unbiased and informed manner, on things British.

One of the chief offenders in this regard is Time, which appears to miss few opportunities of belittling British events and traditions, particularly as regards the throne and Britain's handling of international affairs.

A recent glaring example was Time's coverage of the historic conclusions of the Royal Commission on the future of Palestine. Time readers are informed that in order to enlist support of both Jews and Arabs during the Great War, Britain "double-crossed" both races by promising both incompatible concessions.

It is, of course, a matter of history that when the mandate was originally given Britain, Arab leaders like King Feisal, and Jewish leaders like Dr. Weizmann believed, with the British authorities that Britain's war-time pledges to both races were compatible. Both parties knew of the terms offered the other. Since the pledges were given, the spirit of tribalism has grown fiercely throughout the world, and nowhere more so than in what is rather ironically known as the "Holy Land." Britain's ideal has become hopelessly impossible, and the triple division of Palestine as suggested by the Commission, is perhaps its closest approximation.

The fact that both Arab and Jewish extremists have bitterly attacked the plan as being unfair to their respective races, indicates that an all-round compromise has been arrived at.

There is a "double-cross" in the post-war history of Palestine, but not of the type suggested by the United States magazine. This double-cross has been borne by Great Britain, and the lightening of her load is not yet in sight.

## Old Bodies and Young Minds

A WORD on behalf of old men with youthful minds was spoken the other day by Dr. Nicholas Murray Butler, president of Columbia University. Dr. Butler did not mention the fact that he himself is 75 and has the eager mind of a young man. But he referred to the full mental vigor of Leo XIII, who penned the Rerum Novarum encyclical at 81; of Gladstone, who was still prime minister of England at 85; of Bismarck, iron chancellor at 75; of Chief Justice John Marshall, writing decisions at 80; of Elihu Root, making amazing public utterances at 92; of Chauncey Depew's refreshing humor at 90.

But lest some of the older generation, who have gone to seed, think that mere years count for much, Dr. Butler warned that it is the mind rather than the physical age that counts. Some men are fixed and set as to every conceivable question by the time they are 30.

"One may be young without being youthful but, happily, one may be old without being aged," he said.

## Editorials in Brief

**"Let Scotland** feed her visitors on Scots fare" is the advice given by an English tourist to the Aberdeen Press and Journal. Lobsters, mutton, scones and haddock might be all right but are the Scots clever enough not to frighten away their guests with haggis?

• • •

**Marquis wheat** made western Canada the granary of the world, established Canadian hard wheat as the universal standard. Yet the death of Sir Charles Saunders, its originator, was not considered of front page news value by at least two western newspapers.

The Regina Leader-Post devoted 18 inches of space on the front page of its second section to the life of a man whose work meant millions of dollars to Saskatchewan. The Calgary Herald ran nearly two-thirds of a column on page three. The Edmonton Journal started its article midway down page one.

Sir Charles, despite his great accomplishments, lived so quiet and unassuming a life that in one western paper a cut of another elderly man was used by mistake. A mistake of this kind could hardly have been made about any other figure of anything approaching the prominence of the shy, reserved cerealist who made millions for others.

• • •

**"The Oriental Economist,"** published in Tokyo, assures us that Japan has no territorial ambitions. In order to elevate her living standards to the levels prevailing elsewhere, Japan has in the past resorted to a policy of territorial expansion, says the Economist. But Japan is fully content with the present order of division of the world's land. All it seeks is a chance to trade. Says the Japanese paper:

"If freedom of international trade is restored, it is our firm conviction that the tense relations between Japan and the outside world, which have existed since 1931, will be relaxed overnight."

Some people may have difficulty reconciling this peaceful declaration with Japan's present aggressive manoeuvres on the continent of Asia. But it points in the direction of a great truth; that the territorial ambitions of the "have-not" nations will tend to evaporate as prosperity is produced in the world by freer international intercourse in the fields of trade and finance.

## Sayings of the Week

"I'm a pessimist with hope." — *Clarence Darrow.*

• • •

"Wars are never won but they can be lost."—*Bernard Baruch.*

• • •

"We must not be lulled by any sense of false security."—*President Roosevelt.*

• • •

"We have done wonders with machines but we have neglected to develop ourselves in the same degree."—*David Sarnoff.*

• • •

Banking is a social science. Its theories cannot be proved by test-tube analysis."—*Raymond N. Ball, president, New York Bankers' Association.*

• • •

"Medicine is not yet ready to describe an emotion in terms of chemical reaction but there is evidence of definite headway." — *Raymond Fosdick.*

• • •

"The human race is as yet only a little bit civilized and in time of serious trouble has a strong tendency to stampede back into barbarism."—*Walter Lippmann.*

• • •

"A diamond as big as your fist would have no more value than a piece of rock if men had not learned to bring out its beauty by skilled labor." —*Frederick Van Fleet in Nation's Business.*

• • •

"If we ever have to choose between Fascism and Communism we would choose Fascism every time. Our hope is that we shall be fortunate enough never to have to make that choice."—*Beverley Baxter in the Sunday Graphic.*

• • •

"Nazi Germany is a vast incubator, its hot-air apparatus designed by the ministry of the interior and operated by a department of eugenics whose duty it is to see that the supply never runs out." — *Walter Brockman in Current History.*

—Cartoon by Grassick.

LIGHT BEGINS TO DAWN.
John L. Lewis: "I guess that what they mean is that they don't like us in Canada."

## New Books

### The Armaments Boom

THE £. s. d. OF NATIONAL DEFENCE. By Priscilla M. Rae. Published by S. J. Reginald Saunders, Toronto. Price $2.

The rearmament race has lifted the world out of depression. A turn in the trade cycle was due anyway but rearmament gave the upward movement quicker action. What the long term effects of rearmament on the world's economy may be are examined in this book. The author looks for higher prices, considerably higher taxes, increased public debt, some depreciation in the currencies of certain participating countries, but no crude inflation on a large scale.

Rearmament might easily lead to economic difficulties. For that reason the author thinks there should be strict control of national economies while armament expenditures are being made, in short by government economic planning. While not orthodox in her point of view, she feels that intervention by government to reduce the effects of the armament movement should be temporary and the objective should be a return to economic freedom at a later date.

Perhaps the chief merit of this book, which is brief and readable, is that it introduces to many people a new thought, the thought that there are important economic aspects to the armament programme that must be studied if it is not to lead to a dangerous business boom and in turn to another crisis.

### Planning for Trade

REPORT ON INTERNATIONAL TRADE. A Survey by Political and Economic Planning. Published by PEP, 16 Queen Anne's Gate, London, S.W.1. Price 8s. 6d., plus 6d. postage.

PEP, or Political and Economic Planning, the body that publishes this report, is an independent, nonparty group of about 100 working members chosen from many different fields of public, professional and university life in the United Kingdom. This group has made a number of important studies in the field of social and economic reconstruction and has published about 100 broadsheets on a considerable variety of subjects. Occasionally full length reports are published of which the present volume, dealing with international trade and surveying the problems affecting the expansion of trade between the nations, is the sixth.

It is not a volume that lends itself to a brief review since its main purpose is to provide a well-interpreted background to an understanding of a very large problem. The opportunity for world economic co-operation is presented in most challenging form and the mechanism of international trade is also described with efficient simplicity. Yet no attempt is made to lay down, dogmatically, a positive programme which must be followed by any nation or by all the nations without deviation.

Numerous feelers that are being put out by leading statesmen at the present time, looking to a breaking-down of the barriers to trade between the nations, are recorded and the opinion is expressed that they are symptomatic of a change of heart. The United Kingdom is urged to offer a constructive lead in conjunction with the other democratic powers. In this connection a return to a trade policy of non-discrimination in the Crown Colonies and to a less rigid type of Imperial Preference is urged.

The report is a most comprehensive document which should not be overlooked by any student of the subject. Having been drawn up by an independent group it has not had to make concessions to a wide variety of conflicting points of view which is always a weakness of similar reports of, say, the League of Nations. At the same time, since no positive free trade or protectionist point of view is the starting point of the study, there has been no temptation for the authors to twist the facts to prove preconceived conclusions.

## Above the Law . . . .

Bench and Bar, Toronto

An article in a widely-circulated American weekly calls attention to certain declarations made by the leaders of labor movements in the United States to the general effect that labor groups should be their own judges as to the legality and equity of their acts and that they should be freed from the possibility of court proceedings and particularly of proceedings by way of injunction intended to prevent activities which appear to be contrary to the law.

How strong this movement is and how far it has been successful we do not venture to say, as we are not in the possession of all the facts. The theory seems to be based on an idea that the courts are not in all cases independent arbitrators, but tend to represent the views of a certain class in society, in this case, the employers of labor. If such an indictment is in any degree true, it is a very serious one; the function of the courts is primarily to provide means by which the rights and obligations of any citizen or group of citizens may be discussed and determined in the light of the principles of justice as accepted by general consent and as expressed in the enactments of properly constituted governing bodies. In a country which has a written constitution with divided powers they have also to consider and determine the limits of such powers and to declare whether any particular body is acting outside its proper sphere.

The idea that any man or group of men should be judges in their own case, that is that any or all of their acts should not be subject to review by a properly constituted tribunal, is not at all a new one. Much of the Constitutional History of England is concerned with various phases of the same idea. The irony of it is that generations of men have been taught as children to reverence the men who strove to prevent kings, barons and other potentates, both clerical and lay, from placing themselves or keeping themselves above the law and to consider the principle of equality before the law as fundamental must still have to face the same danger from other sources, or—which is worse—may make the same claim for themselves. Individuals and groups are constantly prone to become so convinced of their own righteousness or their own infallibility that they become impatient of any organized attempt to discuss their acts and to pass upon them in the light of existing custom and legislation. As often as not, they base their position on an appeal to "natural justice," "the rights of man," "the liberty of the individual," or some other such mouth-filling and undefinable expression. Sometimes, as in certain European countries, they defend their worst excesses on the ground of racial superiority or national glory. It all comes to the same thing in the end. What they really are trying to say is: "We want to do this thing; we think it is right; anything or any person who prevents or delays it must be swept aside."

But we do not need to cross the border or the ocean to find examples of the same thing. We are not thinking so much of the various tribunals organized for special types of case, such as the Workmen's Compensation Boards and the like, which fall into a different category. When, however, responsible members of a government which has passed legislation of a confiscatory nature and of more than doubtful validity, not only regard any attack upon the legislation as something in the nature of treason, but announce their intention of taking steps to make any court decisions ineffective, they need not feel surprised if there are many persons who feel that they are not acting in accordance with the best traditions either of this country or of Britain from which we claim to derive most of our public law and practice, whatever, in the opinion of these gentlemen may be the "equities" of the situation.

The most obvious flaw in an attitude of this kind is that when any man or group of men, whatever their importance in fact or in their own opinion, place themselves or are placed above the law, it means that some other group or all, other groups will be outside the law, in the sense that they will lose some existing protection. For one person to have more than his share of legal rights means that another will be deprived of his or the whole body will be made poorer in this regard. Perfect justice may never be found on this earth; it may be but an idea stored up in the heavens, as Socrates might say; but when we have arrived at a working rule, which is generally accepted and reflects the thought of many men, it should be made to apply as universally as possible and not be relaxed for any part of the commonwealth, even the governing part.

## Stop Me If You've Heard This One . .

A worker in Mr. Carnegie's steel mills applied directly to the great magnate for a holiday in which to get married.

Mr. Carnegie enquired interestedly. "What is the bride like? Is she tall or short, slender or plump?"

The prospective bridegroom replied seriously: "Well, sir, I'm free to say that if I'd had the rollin' of her, I sure would have given her three of four more passes."

## Post-Scripts

### Quick! A Thesaurus

WE IMAGINE that Peter Mark Roget's body turned over in its grave in a quiet English cemetery when the Globe and Mail, Toronto, ran the other day a letter from which we reprint, as a sample, the first and last paragraphs:

"In fundamental astronomical and periodic computation it coherently appears that inconsistent economic repercussions, embracing an international magnitude, are deeply ingrained in a cumbersome sequence, as a cogent result of impending international wheat crop deterioration, as the economic barometer will engulf a medley of vicissitudes, heralding further rust propagation and acutely aggravated by the admissible possibility of a dual fungus connoting black and red rust menace.

"Sagacious economic discernment appears to warrant a curtailment of available superb quality wheat supplies, to unwittingly overwhelm the fragile wheat counterpoise during September."

## As Others See Us . . . .

### The Drought Area
Victoria Times

Ottawa is reported considering abandonment of drought-stricken areas in southern Alberta and Saskatchewan with the transfer of the populations to the north where more moisture obtains. Gigantic as the undertaking would be, The Toronto Telegram sees it as probably preferable to an indefinite continuation of the relief measures now necessary, after eight years of successive crop failures.

The Financial Post, however, expresses hope for the drought areas, which may come back, as have parts of the "dust bowl" in the southern states. From a study of longterm meteorological records, it believes rain will come again to the Canadian desert. It refers to the warning given years ago in his book, "Dry Farming in Western Canada," by Hon. John Bracken, then professor in the Saskatoon Agricultural School. To the wheat miners of these areas, the man who is now Premier of Manitoba, gave advice, which went unheeded, on ways and means of preparing the soil for the more or less rainless years that were bound to come.

### Drought Area Relief
Kingston Whig-Standard

So much of the recent news and comment upon the situation in the dried-out areas of southern Saskatchewan and Alberta has been of a deeply pessimistic nature as to the future of these lands, that it is a relief to hear the view, as firmly expressed by The Financial Post, that there is hope for them yet.

"Parts of the so-called 'dust-bowl' in the United States," The Post observes, "have had very satisfactory crops this year, a little extra rain having made a great difference." Many farmers on the prairie, The Post agrees, have treated the land badly. Large areas of the best wheat land in the West have been "mined." Few farmers have followed wholeheartedly the advice on ways and means of preparing the soil to meet the dry years given them by experts. At the same time they cannot be blamed for lack of rain, The Post adds. "Rain will come again in the Canadian 'desert.' So much we can hope from a study of long-term meteorological records. It is a tragedy that it did not come again this year. But it will come, maybe next year, maybe not for a longer period." At the moment there is encouragement for that view in the fall of rain this year on some of the drought lands.

### Australia and Canada
Lethbridge Herald

The Financial Post tells us that, for the past five or six years, while Australia has been piling up Government surpluses, Canada has been piling up Government deficits.

Which is true.

But The Post should have gone a step farther and told us why.

Back in 1929 and 1930, when Canada was riding along at the end of the most notable series of governmental surpluses and tax reductions inits history, Australia was facing a crisis. Not only was the Federal Government running behind but the States were piling up one deficit after another. It was at that time the situation became so acute that the States were forced to accept a sort of financial dictatorship from the Commonwealth Government. There was even a threat that bond interest due in London wouldn't be paid.

Then Britain went off the gold standard. What did Australia do? Did she cry that "sound money" was the only way to face the situation as we did in Canada? She did not. Not only did Australia follow Britain off gold, but she devalued her pound 25% more than the British devalued theirs.

With what result?

In 1932 and 1933 when Canadian farmers were trying to meet their debts with 30- and 40-cent wheat, the Australian farmer was paying his debts with 65- and 70-cent wheat. And when Canadian wool was selling at six to eleven cents a pound, the Australian rancher was getting 25 to 35 cents a pound. The Australian billion pound wool clip for a number of years has been worth more than the whole Canadian wheat crop.

The result is that Australia, by following a sensible monetary policy while we were chasing the wisp of "sound money," has prospered, paid its debts, kept its industries busy and piled up governmental surpluses.

## In the Mail . .

### Shortage of Scrap Iron

Editor, The Financial Post:

The enclosed clipping entitled "Search for Scrap Iron" shows the urgent situation in the United Kingdom at the present time and is an indication of what may happen even in Canada.

While it is true that in a general way Canada has been pretty thoroughly combed the last year or two in an effort to uncover good supplies of scrap iron and steel, yet undoubtedly if the British plan was employed of having every home institute a search to ascertain what could be sorted out and set aside for the purpose, it would mean a good many thousand tons in Canada.

In the writer's recollection, no such measures have ever been taken in such a systematic way, even during the time of the Great War.

A. T. ENLOW,
President and general manager,
Lysaght Dominion Sheet Metal Corp.
Hamilton.

Editor's Note: The clipping enclosed, from the Daily Telegraph, London, told of a special campaign in Britain to search every home for scrap iron and steel to aid the rearmament programme.

### Are They Welshers?

Editor, The Financial Post:

Your paper is always interesting and usually I heartily endorse your policies, but your article "Canada's Tax Exiles in Nassau" calls for a vigorous protest. This article carries the implication that these men of Nassau—these outstanding Canadian individualists—are the unfortunate victims of unreasonable taxation at the hands of our Dominion and provincial governments.

Your campaign against governmental spending and high taxation is very praiseworthy and we need more of it. But surely you do not condone tax-welshing. Does your paper share the hard-boiled cynicism of some critics of Mr. Roosevelt who jeer at his so-called high moral tone on the subject of tax-avoidance? You would not, I hope, agree with J. P. Morgan who, in an unguarded moment, said that taxpayers should dodge taxes if they legally can do so.

Wealth, even Lake Shore Gold, is the product of social organization. Where would these shrewd and vigorous men of Nassau be if there had been no Canadian Government — or Ontario Government or Quebec Government, or British justice as administered by our elaborate and efficient system of police, magistrates, judges and parliaments—if there had been none of these institutions to protect them in their enterprises, and to provide the machinery which worked so smoothly during all those years when they were amassing their millions? It is obvious surely that their fortunes are the direct products of that social organization they are now deserting.

In all groups there are slackers and welshers—fellows who only pretend to pull their oars. But they must be severely dealt with when discovered. Otherwise they will increase until they cripple the group. Ostracism has been found a most efficient sanction in sporting or social organizations: when a club member is kicked out he forfeits his legal rights to club property. Why should not national welshers be treated in the same way? Expropriate the wealth of the tax exiles. Or at least make them forfeit a sizeable portion.

This flight of Canadians to the Bahamas is not peculiar to our wealthy nationals: France has recently been brought almost to her knees by a similar desertion of tax-nervous capitalists, or their francs; Britain had to impose severe measures in her 1936 Finance Act to catch income tax evaders who were seeking refuge for their capital by foreign incorporations; and now Roosevelt is firing the opening guns of a sweeping campaign against men of this stripe.

Kindly pardon the note of indignation that has crept into this letter. It is the letter of a Canadian who has the bulk of his life yet to live and hopes to live it in Canada. For that reason, perhaps, he is deeply concerned over the financial plight of our public institutions, and as a struggling member of the younger generation he strongly resents having to shoulder his share of the national debt when many fortunate profiteers of the war, and predepression eras who, now that the money is spent and the bill to be paid, slip out from under and run off to some salubrious tax-haven where no public debts exist.

PRO PATRIA,
Ottawa.

Editor's Note: Calling a tax-exile a welsher will not bring him back. People come to Canada and leave Canada for many reasons: climate, opportunity, natural resources, tax rates, etc. There is a competition between nations for desirable citizens and desirable capital. Without criticizing our tax-exiles or excusing them, The Financial Post has merely urged that Canada maintain, in its own selfish interests, a competitive position that will prevent it from losing capital and brains.

The Post wastes no sympathy on these "unfortunate victims" of Canadian tax policies. It reserves its sympathies for the Canadians who remain here and whose taxes are increased every time a wealthy man is driven elsewhere.

"Pro Patria," incidentally, overlooks the difference between tax exile and tax evasion. The Post's article talked about men who have transferred their residence elsewhere and are no longer citizens of Canada. President Roosevelt's campaign is directed against men who retain their American domiciles but seek to escape taxation.

**Week in Business**

# New Developments Are Still Lacking

## General Volume Continues Satisfactory But Wheat Failure and Textile Strikes Unsettle Canadian Business Outlook

While general volume of Canadian business continues satisfactory new developments are lacking to indicate any change in either direction in the near future.

Usually at this time agricultural conditions would dominate the situation but the practical failure of the wheat crop throughout a large area of Saskatchewan has eliminated prospects of sharp improvement in this direction. Agricultural conditions elsewhere in Canada are fair to excellent but these other yields lack the quick cash value and generally spectacular effect of wheat. Price gains for wheat have been substantial from a year ago but in view of the good harvest in United States where an exportable surplus of 150 to 200 million bushels is now expected, little further net advances can be expected, at least in the near future.

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In central Canada and especially in Ontario the tourist trade this year is likely to establish a volume not exceeded since 1929. Highway traffic is reported heavy and sales of gasoline, oil, hotel and summer cottage space have been excellent. In the Maritime Provinces, Quebec and in British Columbia, however, the highway building programmes in anticipation of still better traffic in the future, have interfered with current road travel. These areas, especially the eastern provinces, are busily attending to their lack of hard surface highways and by next season expect to have all main links completed. Then a real campaign aimed at attracting more summer visitors will be undertaken.

• • •

After a considerable period of tranquillity strikes have again unsettled the Canadian industrial picture with trouble in the textile field spreading widely in Quebec. In the last three months, however, the general public appears to have lost much of its fear and interest in these proceedings and in view of this significant change it might be well for interested labor to ponder the following from the pen of Raymond Moley, one-time Roosevelt New Dealer, in a recent issue of News-Week:

"Two fallacies tend to confuse us all on the price-wage situation. The first is the workman's delusion that higher wages in money necessarily leave him any better off. When prices are raised to cover his new wages, he frequently finds himself worse off. The other fallacy, even more widespread, is the notion that higher wages for industrial workmen necessarily make for prosperity. They don't—if prices rise as fast or faster, for the simple reason that industrial wage earners are a much smaller proportion of the market for consumers' goods in this country than is commonly supposed. Farmers, employees in the great business of distributing goods and millions of service employees are also consumers. Any one of these three classes is as important, consumer-wise, as the factory workers who are winning spectacular wage increases now. And one of the causes of the last crack-up was the fact industrial wages and, consequently, the prices of things industrial workers made, got too far out of line with the incomes of the rest of the population."

## Business Indicators

Employment figures at the beginning of last month registered substantial gain at a time when normally there is a decline. Index of 119.1 highest for July since 1929.

Trade continues to register gains both in the domestic and export categories. June retail index was over 80 compared with but 73.4 a year ago.

Livestock sales in June continue to emphasize trend away from cattle and toward hogs. Marketing of latter to date very substantially above year ago.

Construction—Though seasonal decline has commenced total of contracts awarded in July much better than for same month last year and cumulative to date up almost a third. Main increase has been in residential and industrial building.

**Railways** — Carloadings were down slightly from the previous week but latest figures are very much above those for same period in 1936 and cumulative to date maintains lead of around 10%. Net revenue both railways up in June.

**Current trend** in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked▲.

| | Latest 1937 | Latest 1936 | Jan. 1 to date 1937 | Jan. 1 to date 1936 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings, week (July 24) | ▲49,551 | 45,496 | 1,365,937 | 1,262,406 |
| C.N.R. gr. earn., wk. (July 21) | $ 3,704,383 | $ 3,391,106 | $ 105,978,859 | $ 199,577,927 |
| C.P.R. gr. earn., wk. (July 21) | $ 2,688,000 | $ 2,461,000 | $ 74,735,000 | $ 69,736,000 |
| C.P.R. net revenue (June) | $ ▲1,195,111 | $ 1,175,549 | $ 8,260,153 | $ 6,790,999 |
| C.N.R. net revenue (June) | $ ▲435,188 | $ 9,442 | $ 6,687,948 | $ 2,475,040 |
| **Business Conditions—** | | | | |
| Weekly index D.B.S. (July 24) | ▲112.3 | 110.1 | ...... | ...... |
| Financial Post index (June) | 122.6 | 110.5 | ...... | ...... |
| **Iron and Steel (June)—** | | | | |
| Pig iron production (tons) | 78,278 | 56,362 | 423,942 | 340,335 |
| Steel ingots and castings prod. (tons) | 118,744 | 82,196 | 713,177 | 578,700 |
| **Automobiles (Number)—** | | | | |
| Passenger Cars: | | | | |
| Domestic sales* (May) | 17,199 | 15,930 | 63,970 | 51,858 |
| Factory output (June) | 17,919 | 13,126 | 97,563 | 86,364 |
| Trucks and Buses: | | | | |
| Domestic sales* (May) | 4,332 | 3,297 | 14,837 | 10,999 |
| Factory output (June) | 5,922 | 3,274 | 31,008 | 19,584 |
| Exports (June) | 6,809 | 4,449 | 34,487 | 32,253 |
| Financing (June): | | | | |
| Used | $ 4,646,721 | $ 3,467,078 | $ 19,106,344 | $ 13,793,047 |
| New | $ 5,713,316 | $ 3,980,528 | $ 23,605,784 | $ 17,556,909 |
| **Construction—** | | | | |
| Cons. contracts (July) | $ ▲21,485,000 | $ 17,868,500 | $ 131,861,100 | $ 95,577,000 |
| Production (Apr.)— | | | | |
| Cement, bbls. | 371,839 | 293,538 | 780,029 | 651,781 |
| Gypsum, tons | 65,708 | 40,007 | 102,360 | 53,100 |
| Clay | $ 289,272 | $ 226,722 | $ 730,664 | $ 609,875 |
| **Agriculture—** | | | | |
| Flour prod., bbls. (May) | 900,288 | 1,196,339 | 5,058,720 | 5,378,549 |
| Flour exp. bbls. (June) | 389,995 | 430,171 | 2,076,707 | 2,291,171 |
| Wheat exp. bus. (June) | 12,180,068 | 25,763,565 | 43,724,035 | 94,597,586 |
| Cattle sales (June) | ▲69,931 | 64,835 | 365,453 | 393,850 |
| Hog sales (June) | ▲83,[illegible]65 | 79,042 | 523,811 | 458,245 |
| **Newsprint (tons)—** | | | | |
| Production (June) | 310,871 | 270,051 | 1,782,761 | 1,489,263 |
| Exports, tons (June) | 306,645 | 283,588 | 1,631,582 | 1,360,294 |
| **Mining—** | | | | |
| Coal prod., tons (May) | 1,075,605 | 998,447 | 5,930,386 | 5,847,769 |
| Coal imports, tons (May) | 1,702,528 | 1,361,598 | 4,303,066 | 3,342,524 |
| Gold prod., fine oz. (May) | 340,125 | 308,492 | 1,628,356 | 1,450,839 |
| Nickel prod., lb. (May) | ▲18,462,389 | 11,815,188 | 90,426,601 | 68,704,668 |
| Copper prod., lb. (May) | ▲41,561,784 | 35,044,332 | 201,055,674 | 174,216,241 |
| **Employment D.B.S. Index (July 1)—** | | | | |
| All industries | ▲119.1 | 104.6 | ...... | ...... |
| Manufacturing | ▲119.0 | 104.7 | ...... | ...... |
| **Electric Power Output (June):** | | | | |
| Total monthly m.k.h.† | 2,253,477 | 2,028,980 | 13,754,271 | 12,442,086 |
| **Trade—** | | | | |
| Retail trade (index no. of sales) (June) | ▲80.5 | 73.4 | ...... | ...... |
| Imports (June) | $ ▲75,668,684 | $ 57,598,132 | $ 380,815,689 | $ 293,804,753 |
| Exports (June) | $ 108,857,343 | $ 79,942,336 | $ 525,807,475 | $ 424,545,951 |
| **Other Industrial Factors—** | | | | |
| Dressed lumber, exp: M. bd. ft. (June) | 182,191 | 169,550 | 862,634 | 724,048 |
| Boot & shoe prod., pr. (May) | 2,239,211 | 1,795,518 | 10,257,149 | 9,320,902 |
| Crude petrol., imp. gal. (May) | 132,744,682 | 103,517,363 | 346,594,657 | 323,829,723 |
| Cotton imports, lb. (May) | 15,328,882 | 9,859,401 | 66,728,359 | 62,204,033 |
| Raw rubber imp., lb. (May) | 9,379,296 | 4,974,572 | 24,742,769 | 19,637,197 |
| Cigarette cons. (June) No.† | 628,742 | 506,108 | 3,055,859 | 2,472,515 |
| **Sugar (lb.)—** | | | | |
| Melting & ship.§ (raw) | 65,571,027 | 96,053,265 | 285,184,817 | 303,134,553 |
| Manufactured§ | 65,774,505 | 92,455,481 | 275,509,721 | 292,386,286 |
| **Finance—** | | | | |
| Bank debits (June)† | $ 2,891,917 | $ 3,135,569 | $ 18,186,008 | $ 17,246,852 |
| Bond sales (June) | $ 103,300,184 | $ 187,787,200 | $ 698,833,890 | $ 754,241,487 |
| Life insurance (June) | $ 37,658,000 | $ 31,247,000 | $ 192,736,000 | $ 181,267,000 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to June 19.

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## Canada Dry Goes Ahead

New financing by Canada Dry Ginger Ale Inc. is anticipated to pay for expansion. Indicated cost is $2 millions for new units at Winnipeg, Philadelphia, Omaha and Pittsburgh.

Estimate of net income for the quarter ended June 30 is slightly above $384,000, equal to approximately 75 cents a share. In the corresponding quarter of 1936, there was a net loss of $22,555. The company's earnings have been helped by the direct delivery system which eliminates the spread of 33 cents a case formerly received by jobbers and distributors.

## Commodities

Reduced inventories and curtailment of backlogs in several industries are leading to the view among commodity observers that "temporary bottoms" may have been reached in a number of commodities. Against this is the continuance of hand-to-mouth buying and the net result is little or no change in general commodity price levels.

Buying policies are highly selective at the moment, since in contrast to the easier trend of most commodities, July witnessed sharp gains in prices of livestock, hides, leather and to a lesser extent in chemical prices.

Comparative figures follow:

**Price Range**

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $9.50 | $9.50 | $6.00 |
| Hogs | 11.25 | 10.65 | 10.00 |
| Copper, lb. | .14 | .14 | .09¾ |
| Cotton, lb. | .1118 | .1172 | .1289 |
| Rubber, lb. | .1838 | .1840 | .1644 |
| Sugar, raw, lb. | .0350 | .0342 | .0365 |
| Silk, lb. | 1.90 | 1.98½ | 1.76 |
| Wheat, Man. (bu.) | 1.37 | 1.39⅝ | 1.05¾ |
| Coffee, lb. | .09⅝ | .09⅝ | .08¼ |
| Hides | .17½ | .17½ | .11¼ |
| **Weekly Indices** | | | |
| N. Y. Annalist* | 95.2 | 95.2 | 84.2 |
| Fishers' | 92.3 | 92.3 | 83.7 |
| N. Y. Journal of Comm. | 91.5 | 90.8 | 82.7 |
| Crumps (Brit.) | 83.6 | 83.7 | 70.0 |
| U. S. Labor | 87.5 | 87.8 | 80.2 |
| Canada (D.B.S.) | 87.6 | 87.7 | 74.7 |

**Monthly Indices**

| | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Canada (D.B.S.) | | | |
| Retail (June) | 82.6 | 82.8 | 80.0 |
| W'sale (June) | 84.6 | 85.1 | 72.3 |
| U. S. (May) | 87.4 | 88.0 | 78.6 |
| Gt. Brit. (Apr.) | 108.9 | 107.3 | 91.9 |

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar—96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North. Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto.
*Revised.

## Bankruptcies

Canada Gazette announces meeting of the creditors in the matter of:

- Oyster House Ltd., Vancouver.
- Adelman, P. S., St. Catharines.
- McMinn & Gordon, Toronto.
- Chappus, L., Lasalle, Ont.
- Rickard Ramore Gold Mines Ltd., Toronto.
- Finch, G. L., Belleville, Ont.
- Snook, C. F., Ottawa.
- Johnston (G.) & E. Patterson, St. Catharines.
- Craig Florists and Nurseries, St. Lambert, Que.
- Senderovitz, Mrs. M. R., Montreal.
- Desjardines, E., House Harbour, P.Q.
- Central Toilet Service Ltd., Montreal.
- Arbique, E., Hull, P.Q.
- Frereault, D., Montreal.
- Desautels, Estate of late R., Montreal.
- Vermette, J. A., St. Leonard Pt. Maurice, P.Q.
- Ducharme, L. J., Montreal.
- Pilon E., St. Anne de Bellevue, P.Q.
- Vail, C. H., St. Stephen, N.B.

# C.N. Exhibition Seeks to Draw Foreign Buyer

## Special Effort Made to Stir Interest in Canada

### TRADE PROMOTED

An intensified effort to develop foreign commercial interest in the Canadian National Exhibition and foster foreign business for Canadian industry and agriculture, is a distinguishing feature of this year's Exhibition season at Toronto, Aug. 27 to Sept. 11.

Determining to take special measures to extend knowledge of the Exhibition in other countries, and especially to attract foreign buyers, C. N. E. officials sent out more than 100,000 circulars to all parts of the world. These went chiefly to consular agents, Canadian trade commissioners and buyers for large commercial concerns in foreign countries.

A marked increase in Exhibition attendance of foreign buyers and other commercial representatives is anticipated as a result of the campaign. It is believed that not only buyers, but also those interested in Canada as a potential market for their products, will be attracted to the C. N. E. this year.

**Foreign Exhibits**

The participation of foreign exhibitors in the C. N. E. has been maintained and in some instances extended this year. The displays of Czechoslovakia and Finland, inaugurated last year as an experiment, will be repeated this year on an extended scale. Improvements and extensions will be noticeable in the exhibits of British manufacturers and trade firms, and official trade bodies of Scotland, Australia, New Zealand, India, South Africa, and Italy.

Advance bookings of exhibit space by exhibitors generally have shown an advance of from 5% to 7%, and it is anticipated that by the time of the opening the peak of 1929 will have been reached. Exhibitors are reported to be spending substantially more this year on displays, equipment and decoration.

A new development in connection with the trade and manufacturing side of the C. N. E. is the designation of one of the 14 days of the Exhibition as "Food Products Day," and taking of other measures to concentrate attention on food products displays. More than 100 manufacturing and distributing firms affiliated with the Food Products Association are taking part in the scheme, and have raised a sizeable fund for advertising.

**Business, Industrial Displays**

Features which are expected to give particular stimulus to industry and commerce include the National Business Show of business machines, furniture and other office equipment; the demonstrations of manufacturing processes; industrial motion pictures; fashion show of women's clothing; and a special display bearing on transoceanic air transport. It is hoped that one of the Imperial Airways transatlantic flying boats will visit Toronto during the C. N. E.

The livestock and horticultural displays are expected to be larger and better, partly because of improved conditions, partly because of increase in the total of prize money offered. During the depression, the prize total dropped by nearly 30% from a peak of $125,000 in 1929, but is now back to the $100,000 level.

## Background of Business

### Halt Loss Leaders

Like some provinces in Canada, California has been considerably worked up in regard to chain stores and loss leader selling. Recently, drastic tax proposals aimed at the chains were defeated but the fight against selling certain goods below cost in order to attract trade or destroy competition has been continued. The State's Unfair Practices Act has been greatly strengthened and an elaborate system worked out for arriving at cost of doing business. Firms that sell goods below cost are to be prosecuted and special attention will be paid to under-cover rebates, collateral contracts and similar devices.

• • •

### Outlaw Premiums

The practice of giving premiums with sales is rapidly becoming a first-class nuisance to Canadian business and it is a practice most difficult to control, states the Western Retailer. It is infectious and one merchant in a community adopting it can force half a dozen others into the same foolish practice when as a speed-up of business it becomes worthless.

In an effort to curb this practice the Retail Merchants Association of Canada has asked the Federal Government to amend the Criminal Code to outlaw premiums.

• • •

### Curbing Gas Stations

Toronto is not the only major city flirting with limiting of gas stations. This matter is coming continually before other municipal bodies on the continent. Writing in Public Management, official publication of the International City Managers Association, Paul Oppermann, an authority on town planning in United States, states that zoning, licensing and safety regulations are the city's chief instruments for restriction. In some places an applicant is not allowed to put up a gas station in a residential area without showing written consent of a certain percentage of the property owners in the neighborhood affected. In some cases such consent must run as high as 50%.

In some cases in United States, city councils may refuse permits on the grounds of over-supply. Seldom has this reason been cited openly, although it is probably at the bottom of most objections. New York City's prohibition of public garages within 200 feet of any school or hospital has been widely adopted by other cities which have also applied it to gasoline stations.

• • •

### Scrap Iron Hunt

A house-to-house campaign for old scrap iron will be undertaken in Great Britain if present organization efforts are successful. Recently public attention was drawn to this potential and accessible "iron mine" by a luncheon in a scrap iron yard in London at which many Old Country steel moguls were present. One speaker told how he had found 500 pounds of discarded metal in the form of broken garden tools, bedsteads and household fittings in a casual search of his own home. "A million homes in this country could produce as much in a shorter time," he stated. "That would mean 250,000 tons of valuable iron and steel scrap for the steel makers." Aggravated by recent difficulties over supplies of iron ore from Spain, a shortage of raw materials is causing some concern in Britain's present rearmament programme.

**Saint John Hydro Active**
*From Our Own Correspondent*

MONTREAL.—Saint John's Civic Hydro Commission reports gross sales of $203,774 for the first half of 1937. This represents an increase of $7,895 over the same period last year.

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# Rogers-Majestic Maintaining Gains

## April, May and June Profitable Months This Year

E. S. Rogers, president of Rogers-Majestic Corp., informed shareholders at the recent annual meeting that in the first three months of the current financial year the company maintained the rate of improvement shown in the annual statement for the year ended March 31, 1937. All branches of the company's business, he said, have operated profitably in April, May and June, which is normally a quiet period in which the company was formerly accustomed to expect a deficit.

Mr. Rogers stated that the profit of 60 cents a share for the year ended March 31, 1937, was due partly to increased volume of business and partly to strict economy in operations. In the two preceding years, earnings amounted to less than two cents a share. He expressed a belief that the improvement shown in the 1937 statement would be continued.

Mr. Rogers attributed the improved showing of the company to the efforts of D. G. MacKenzie, vice-president and general manager and to Harry Sedgwick, managing director of the broadcasting company.

Commenting on economical operations he stated that administration expense was 1.8%, sales expense 4.2%, advertising expense 3.6%, and executive salaries .5% of total sales.

## Foreign Business

United States Department of Commerce reviews foreign business as follows:

**Brazil**—Consumer demand continues on broader base, and immediate outlook encouraging for most lines of domestic manufacture.

**El Salvador**—The encouraging situation of the coffee crop this year is having a favorable reaction on trade.

**Jamaica**—With large banana and sugar shipments this year, and stimulated imports, trade in general is expected to maintain improvement.

**Trinidad**—Although the immediate outlook for business is obscured by uncertainty, the actual turnover in many lines remains good.

**Germany**—Industrial production first half of 1937 11% above the 1929 peak, but gains largely confined to industries directly or indirectly stimulated by government expenditures.

**Belgium**—Economic conditions remain generally good with industrial activity maintained and foreign trade larger than last year.

**Japan**—Business about normal but extremely sensitive to developments in North China.

**Netherland Indies**—Unusual agricultural activity has induced more than seasonal gains and buying power is rising.

# Gas Company Rate Queried

## Consumers' Gas Raising of Price Causes Discussion

The recent increase of 10 cents per thousand cubic feet in the price of gas by Consumers' Gas Co., Toronto, has given rise to considerable discussion before the Toronto board of control.

S. C. Scott, city auditor, recently reported to the board that the increase in price was justified by the company's financial position. Mr. Scott's statement emphasized that the company's deficits had totalled over $2 millions since 1931.

Under Ontario legislation, the company is entitled to maintain rates sufficient to allow it to pay 10% dividends on the capital stock. Ald. R. H. Saunders in criticizing the increase in price of gas commented:

"I have yet to be given a sound reason why more protection should be afforded the capital of the Consumers' Gas Co. than is offered any other company or public utility. Even if the proceeds of bond sales were being used in manufacturing gas, the interest thereon would not be more than 5%. Why the company should get a guaranteed dividend of 10% on money used in making and distributing gas is absolutely unanswerable."

Mr. Saunders contended that the Ontario Legislature should give the City of Toronto freedom to deal with the gas company as with any other company.

The balance sheet of the company shows that total reserves declined from $8 millions in 1932 to slightly less than $6 millions in 1936. In the years 1932 to 1936 inclusive the company's annual transfers from reserve funds varied from $205,608 to a maximum of $576,881. The company's meters installed reached a high of 172,528 in 1932, and declined each year to 166,853 in 1936. The peak of dollar volume of gas sales was $6,037,000 in 1930, compared with $5,227,000 in 1936. In 1931 the company had reduced its price for gas by five cents per thousand cubic feet, which is partly the reason for the ensuing deficits.

The gas company is in competition with hydro-electric power furnished by the publicly-owned Toronto Hydro-Electric Commission.

From the investment viewpoint, while the gas company has the legal right to raise rates so as to earn 10% on its capital, there is the economic consideration that higher prices for gas tend to give an advantage to the competitive electric power.

Another aspect of the situation is that the company has sold shares by public tender at prices well above $100 and to give returns to purchasers of less than 5%. The consequence is that while the company pays 10% on its shares of $100 each it does not pay nearly that rate on the total capital invested by shareholders. Only this year the company sold $500,000 of its stock by tender for more than $1 million.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organisation to make such investment suggestions as will best suit the specific requirements of individual clients.

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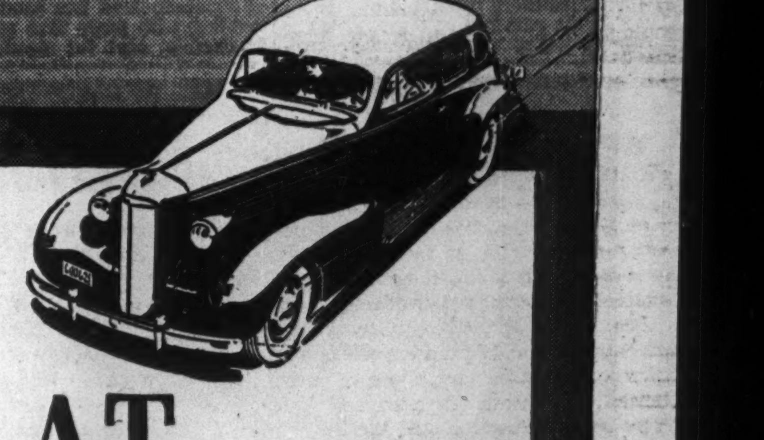

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# Newsprint Industry Object of Pressure For Stable Policies

## Joint Plan of Control Is Sought in Two Provinces — Seek to Keep Depression History from Repeating Itself

**By JOHN LANGDON**
**Eastern Editor, The Financial Post**

MONTREAL.—An attempt to keep history from repeating itself in regard to the Canadian newsprint industry is back of recent statements by Premier Duplessis of Quebec, hinting at co-operative regulation of the industry by the Governments of Ontario and Quebec.

In his latest declaration, Mr. Duplessis appealed for collaboration by Ontario in formulating a common policy to "direct but not administer" the industry. He has insisted on stabilization and curbing of over-production, and has forbidden pulpwood export and the opening of new mills until those closed have been reopened.

Back of these statements is the fear that the economic difficulties which followed in the wake of the depression in the newsprint industry, may be repeated if the newsprint industry goes on another building spree as a result of the increasing demand for newsprint and promise of much higher prices.

**Errors of Past**

Present conditions in the industry are, in some respects, much like those that prevailed in 1926. At that time the mills were operating at capacity. The prices received for newsprint permitted very profitable operations. There was talk of a possible paper shortage. Capital was attracted. So were promoters.

In the next few years Canada's newsprint industry boomed, forcing productive capacity to hitherto unknown heights, to be followed by a collapse of the price structure.

In the intervening 11 years the slack has been taken up. Demand is not far short of effective capacity. For some months there was talk of a possible paper shortage. Newsprint prices have advanced, only modestly to date, but with the promise of a sharp increase next year.

Manufacturers have set a price for the first half of 1938, but have not given any indication of what price they will enforce for the last half of the year. This in itself is not unusual, but the lack of a price policy leaves newspaper publishers in the unfortunate position of not knowing what demands are likely to be made.

**Unity Not Assured**

While it has been frequently stated that manufacturers are primarily interested in securing a price which will permit of profitable operations and that any further price advance—over and above the mean level—will depend upon costs, it is by no means certain that all manufacturers think alike.

In the past two or three years the price policy of the Canadian producers has been more or less controlled by threat of Government intervention or dependency upon banking associates. Publishers fear that with these "curbs" removed or slackened as prosperity once again returns to the industry, the operators will not lose time in making them "pay" for the uneconomic prices which have prevailed for newsprint in recent years.

The maintenance of a fairly even balance between supply and demand and the adoption of a considerate price policy would make for a long period of prosperous conditions in the newsprint industry. This is the end that Premier Duplessis is working for and for which he hopes to secure the support of Ontario's premier.

**Policy Sought**

While it would seem too early to worry about any further major expansion in the Canadian newsprint industry, there is sufficient activity going on under the surface to warrant Premier Duplessis' constant reiteration for the need of a common policy between Ontario and Quebec "to direct" the newsprint industry.

Down East, the Nova Scotia Power Commission is considering building a plant on the Mersey River. Mersey Paper is by far the principal customer on this system. There is no word of any other large power using industry going into the area. While Mersey Paper has not announced plans for the expansion of its newsprint plant an additional machine or two would greatly increase its earning power, especially in view of the rising demand for paper and better prices.

There are no newsprint expansion plans in New Brunswick, though the Provincial Government is bringing pressure to bear upon both Fraser Companies and New Brunswick International Paper to make better use of the Crown lands which they have under lease. These two companies are considering the building of pulp mills.

Bathurst Power and Paper recently reconditioned its newsprint mill. While of limited capacity, it will be able to add about 21,000 tons to the Canadian supply for 1938.

**Position in Newfoundland**

Over in Newfoundland, International Paper has been reported as considering the possibility of putting in a couple of more machines at its Cornerbrook plant. Such reports have been officially denied. Nevertheless it is known that I. P. of Newfoundland has been experimenting with more than one cargo of German coal for steam-making purposes. The suggestion is that power from the Deer Lake plant used for steam could be employed as motive power if German coal proved satisfactory.

Coming to Quebec, the principal development is the new 100,000-ton newsprint plant which Ontario Paper is rushing to completion at Comeau Bay on the Lower St. Lawrence. This unit will come into operation for 1938.

Consolidated Paper still has one more machine which it can put into operation at Port Alfred. The same company has had its engineers looking over the closed-down mill at Cap-de-Madeleine with a view to its reopening in the not distant future.

Abitibi's Ste. Anne mill at Beaupre is ready to go into production. This is a new mill which was operated only a few months before closing down during the depression years. Donnacona speeded up its machines earlier in the year. St. Lawrence Paper Mills recently brought the last of its machines into operation; which means that the company will have a larger supply of newsprint in 1938 than will be the case this year.

**More Economic Unit**

James Maclaren has a two-machine newsprint mill at Masson. Considering that this company has a very large surplus of power (following the revision of its contract with Ontario Hydro) and an excellent supply of high-grade pulpwood, it is only natural that expansion plans are very much in the wind. The plant could be enlarged at a very small cost; most of the capital expenditure would be required for the machines.

**Stepping Up Output**

While many of the established companies will not increase their plants, practically all of them are working on or considering plans for increasing machine efficiency. The tonnage may be very considerable in view of the improved performances of what were considered "efficient" mills until the managements started out to see what they could do in the way of stepping up production. There is the case of Mersey Paper, for example, which started off with a rated capacity of 250 tons daily, but which has been consistently producing over 300 tons a day for some time.

### *Court Reserves Judgment On Gold Bond Appeal*

**From Our Own Correspondent**

MONTREAL.—Judgment in the appeal of the British and French Trust Corp. against the New Brunswick Railway Co., in a case arising out of the interpretation of the gold clause on the Canadian company's bonds, has been reserved by the English Court of Appeal. It is expected that the court will hand down judgment in the autumn.

The plaintiff company holds 992 bonds of £100 each, issued in 1884 for redemption in 1934. On the bonds the railway promised "to pay the bearer or registered holder thereof, £100 Sterling gold coin of Great Britain of the present standard of weight and fineness in London, England, with interest thereon . . ."

In the Lower Court Mr. Justice Hilbery ruled the plaintiff was entitled to £100 Sterling, declaring that the contract was not one for payment of gold in specie, but for repayment in Sterling. The plaintiff company appealed this judgment.

# B. C. Lumber Holds Market

## Americans Covetous of Export Business to Great Britain

**From Our Own Correspondent**

VANCOUVER.—American lumber interests in the Pacific northwest are grumbling a good deal these days because of the continued ascendancy of British Columbia's export business.

The American sawmill operators had their troubles last year because of the maritime strike which crippled overseas shipments for months and gave B.C. an additional advantage. But they are chiefly concerned over the disparity in the tonnage shipped from their plants and those in B.C. to the United Kingdom and other Empire countries.

British Columbia still enjoys about 60% of the total lumber cargo business of the Pacific northwest, and during the past month shipped four times as much as Oregon and Washington to British Empire countries.

**Hit by Empire Pacts**

The Americans claim that since the Ottawa agreements were enforced their exports of lumber to British countries are less than one-third of what they used to be. And on top of all that, about 12% of the B.C. lumber exports still are sold in the United States.

The argument of the Americans is that the Empire agreements are unfairly discriminatory against them, and they have been waging an aggressive campaign in Washington for some form of readjustment in any commercial agreements that may be considered by United States and the United Kingdom.

Meanwhile the British Columbia lumber industry is preparing to resist any effort that may be made to disturb the present relations. United Kingdom business has been the big factor in swelling the volume of lumber shipments during the past two years. To divide that territory with other producers would represent a considerable loss. British Columbia depends entirely on its export trade while the United States in normal times has a vast domestic market to serve.

Cargo business from B.C. is still impeded by high freight rates and a shortage of ships, and it is unlikely that last year's record will be duplicated this season.

# Construction World

### *Seasonal Peak Reached*

Preliminary figures covering construction awards during July confirm the forecasts of The Financial Post that Canadian building activity has now passed its seasonal peak. Awards of $21.5 millions reported for the month by MacLean Building Reports Ltd. compare with $30.4 millions in June, but they show that the construction revival this year is maintaining its momentum against a total of only $17.9 millions in July, 1936.

This year contracts awarded between January and July inclusive, total $131.8 millions against $95.6 millions in the same period of 1936. Contemplated construction, some of which will, of course, not materialize this year, now stands at $270.4 millions, or 61% over the 1936 total of $167.8 millions. The increase compares with a 38% rise in contract awards for the same comparative periods.

Ontario and Quebec, with awards of more than $7 millions each in July, led all other provinces, and engineering projects maintained their lead in volume of contract classifications, at $6.6 millions for the Dominion. Residential and business building groups accounted for slightly more than $5 millions each of the July awards.

• • •

### *Building Prices Ease*

Compared with the low points reached during the depression period, construction material prices show increases ranging from 15% in the case of brick to 192% for lumber, but fears that price levels might advance to a point at which they would seriously retard construction are being allayed somewhat by current trends in prices of key materials.

During July the majority displayed an easier tendency in quotations compiled by the National Association of Purchasing Agents and the decline was led by lumber. Canadian lumber prices, compared with those in the U. S., remained about the same, due largely to continued export demand although there is less interest among purchasers of lumber at current prices than was the case a month earlier. Since the peak reached by all construction materials three months ago, price weakness has also appeared in brick, glass and lime.

Paint materials show no current change in prices but the tendency in this instance is upward on sales which, in the first half of 1937, reached the highest point since 1931. The explanation is of course that maintenance, renovation and repair work have created active demand for paints and varnishes apart from new construction projects.

• • •

### *Highway Safety*

Highway construction programmes on the largest scale in years are being undertaken or planned in every province of Canada. Improving business conditions, increasing use of automobiles and greater leisure for travel are creating conditions demanding the highest degree of safety measures on existing roads and the opening of new traffic channels to areas responding to mining, tourist and business development.

Members of the Canadian Good Roads Association will discuss these conditions when they meet at St. Andrews-by-the-Sea on Sept. 7-9. Among the speakers will be a representative of the British Ministry of Transport and officials of the United States Department of Roads, from Washington. One of the chief topics of discussion will be grade separation of both highways and railways, multiple-lane safety highways, modern bridge construction and other subjects of a technical and engineering character. But modern highway safety will be the keynote of the convention, the twenty-third to be held in as many years.

# Taxation Probe Briefs Drafted

## Prairie Provinces Prepare for Royal Commission Enquiry

**From Our Own Correspondent**

REGINA, Sask.—The prairie provinces have plans well advanced for presenting a strong case to the Royal Commission on taxation, which the federal government is expected to name shortly.

Dr. Jacob Viner, University of Chicago economist, and Dr. Alvin Hansen, head of the department of economics, University of Minnesota, have been retained jointly by the three provinces as consultants in drawing up briefs.

The Province of Alberta, first province to begin active work on assembling data respecting its economic position under Confederation, is employing independently two other consultants. They are Dr. Emerson P. Schmidt, associate professor of economics of the University of Minnesota; and Dr. C. W. Waite, professor of agricultural economics at the same institution. Hon. Solon Low, provincial treasurer, is the Cabinet member in charge of drafting Alberta's brief.

In Saskatchewan, Hon. T. C. Davis, attorney-general, is directing preparation of a submission.

# Company Reports

## St. Catherine St. Realty

Approximately the same revenue is reported by St. Catherine St. Realty Corp., Montreal, for 1936 as for 1935. Reduction in expenses, however, enabled the company to turn a deficit of $6,641 shown for 1935 into net income of $4,253 in 1936.

Unpaid taxes amounted to $45,039 at Dec. 31, 1936. Interest on the $225,900 of 6½% first mortgage bonds was postponed until Jan. 1, 1936, and charges accruing since that date have not been met.

The corporation leases its land from the St. James United Church and an increase in the rental was due as from Sept. 1, 1936, but no effect was given to this increase.

**Profit and Loss Account**
**Years Ended Dec. 31**

| | 1936 $ | 1935 $ |
|---|---|---|
| Rent revenue | 66,230 | 66,510 |
| Less: Taxes | 20,153 | 20,132 |
| Lease | 26,000 | 26,000 |
| Interest & bond exp. | 3,511 | 2,968 |
| Depreciation | 1,636 | 8,286 |
| Oper. & gen. exps. | 10,677 | 15,765 |
| Net income | 4,253 | *6,641 |

*Deficit.

## Credit Foncier Franco-Canadien

A small reduction in net profits for 1936 as compared with 1935 is reported by Credit Foncier Franco-Canadian. Revenue in 1936 was $229,973 lower than in 1935, but provision for exchange losses was $122,780 compared with $357,136 so that net profits were only down $7,260.

A dividend of 75 francs a share was paid for 1936 operations compared with 100 francs for 1935. A reduction of $6.6 millions in mortgages during 1936 largely accounts for the approximately corresponding reduction in total assets.

| | 1936 | 1935 |
|---|---|---|
| **Shareholders' Position** | | |
| Rate earned on com. | 56 fr. | 57 fr. |
| Divs. paid on com. | 75 fr. | 100 fr. |
| Net profits | $376,816 | $384,076 |
| P. & L. surplus | 285,893 | 285,253 |
| **Creditors' Position** | | |
| Debentures | $17,306,552 | $17,527,655 |
| Secured by: | | |
| Liquid assets | 4,107,552 | 4,218,934 |
| Mortgages | 31,641,688 | 38,229,333 |
| Other net assets | 4,474,913 | 4,815,528 |
| Total assets | $40,224,471 | $47,263,795 |

## National Light & Power

National Light & Power Co., Moose Jaw, had earnings for the first half of 1937 amounting to 1.66 times bond interest, according to McLeod, Young, Weir & Co. In the first half of 1936 earnings after depreciation were 1.73 times bond interest for the period.

Comparative figures follow:

**Earnings Account**
**Six Months Ended June 30**

| | 1937 $ | 1936 $ |
|---|---|---|
| Oper. earnings | 257,744 | 259,337 |
| Less: Oper. exps. | 116,529 | 114,378 |
| Net oper. revenue | 141,,215 | 144,959 |
| Add: Misc. income | 2,102 | 2,829 |
| Net earnings | 143,317 | 147,788 |
| Less: Depreciation | 40,133 | 40,354 |
| Bond interest | 62,025 | 62,025 |
| Net profit* | 41,159 | 45,409 |

*Before income taxes and amortization expenses.

## Inverness Apartments 1936 Revenue Higher

Gross revenue of Inverness Apartments, Windsor, as reported by the London & Western Trusts Co., receiver, was $2,545 in 1936 against $2,465 in 1935. After deducting expenses, a balance of $298 was left in 1936 compared with $198 in 1935. Taxes owing at Dec. 31, 1936, amounted to $1,023 against $1,046 a year earlier.

Interest on the $22,500 bond issue is in default from and including Jan. 12, 1931, and no payment can be expected until all taxes are paid, unless a sale of the property is made. No firm offers had been received, according to the receiver.

## Staveley Apartments Hearing Adjourned

Application of the London & Western Trusts Co., receiver and manager for Staveley Apartments, Toronto, for court approval of the reorganization plan adopted by bondholders on Nov. 30, 1936, has been adjourned until Sept., 1937.

The receiver and manager states that funds sufficient to pay the coupon due Feb. 15, 1934, are now on hand. It is not considered advisable, however, to make this payment until the court has given its decision on the reorganization plan. As action on this is expected in September, it is thought desirable to hold all funds until proceeds of the sale of the property can be distributed as well.

**Reports Sale of Assets**

**From Our Own Correspondent**

MONTREAL.—All assets of Sin Mac Lines have now been sold and proceeds are in the hands of the Montreal Trust Co., trustee, for distribution to the 6% first mortgage bondholders.

Distribution of the monies received will be delayed for some time, however, due to litigation which is still proceeding in regard to maritime liens.

# Canada Wire Sales Up 75%

## Unfilled Orders at Half Year 144% Greater Than Year Ago

**From Our Own Correspondent**

MONTREAL. — Dollar value of sales reported by Canada Wire and Cable Co. was 75% greater than for the corresponding period of 1936. Unfilled orders at the end of the first half of the year were 144% higher than a year ago. Although the second half is not expected to show the same relative improvement, the management anticipate a continuance of present volume for the remainder of the year.

In connection with the declaration of the current dividend on the preferred stock, the directors have released an interim report for the six months ended June 30, 1937, which shows an operating profit of $715,178. Comparative figures for the previous year are not available. After providing for depreciation and other charges, the net profit for the past half year was $476,966.

Interim report on the half year earnings follow:

| | |
|---|---|
| Profit from operations | $715,178 |
| Income from investments | 3,077 |
| Total revenue | 718,255 |
| Deduct: Depreciation | 110,308 |
| Exec. remun. & legal fees | 30,749 |
| Directors' fees | 2,540 |
| Income taxes | 97,692 |
| Net profit for half year ended June 30, 1937 | $476,966 |

## Cawthra Apartments Meeting Is Adjourned

Special meeting of holders of preference shares in Cawthra Apartments Ltd., Toronto, has been adjourned to Aug. 30, 1937. The adjournment was made necessary by failure to receive representation of the required 66 2/3% of outstanding shares. The company states that over 50% of outstanding shares were represented and those in atendance or represented by proxy were in agreement with the proposals to be voted on.

The meeting was originally called for July 27 to consider a scheme for the adjustment of the preference shares made necessary by the recent refinancing of the 6% note certificates.

## Killarney Apartments Gross Income Higher

Gross revenue of Killarney Apartments, Windsor, as reported by the London & Western Trusts Co., receiver, was $2,839 in 1936 compared with $2,749 in 1935. After deducting expenses, a balance of $168 was left in 1936 against $316 for 1935. Taxes owing at Dec. 31, 1936, totalled $1,189 compared with $1,493 a year earlier.

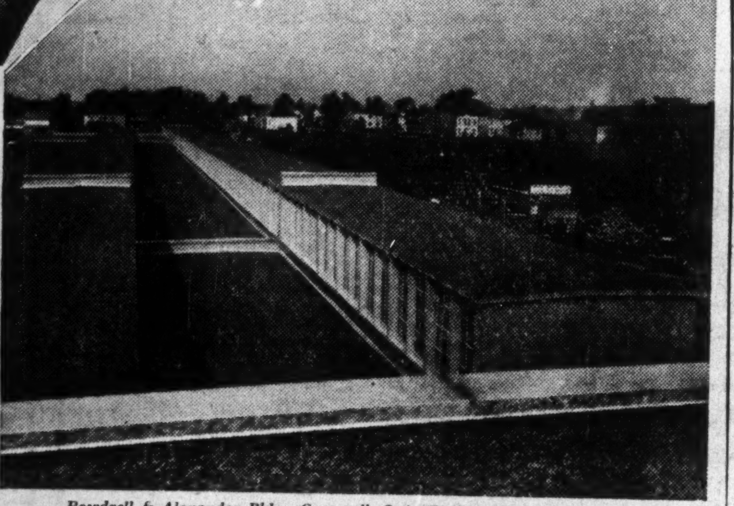
Interest due since Jan. 12, 1931, on the $22,500 bond issue is in default. No payment can be expected until all taxes are paid or a sale of the property made, according to the receiver. No firm offers have been received.

## Continental Can Co. Plans New Quebec Plant

**From Our Own Correspondent**

MONTREAL. — Continental Can Co. Inc. of New York will shortly undertake the construction of a new can and container plant at St. Laurent, just outside of Montreal.

The company plans to construct four other plants in the United States and to that end has called a special meeting of the shareholders to provide for the authorization of 350,000 shares of preferred stock, of which number 200,000 would be for sale to the public, the proceeds to be used to provide funds for the company's programme of plant expansion and betterments and to pay current banking indebtedness.



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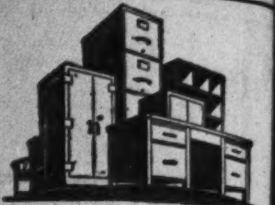

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# C.I.O. Offensive Balked in Canada

## Ruthless Tactics Have Reacted to Halt Spread of Movement

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

The flood tide of John L. Lewis' Committee for Industrial Organization has reached a high water mark far short of its goal. The ebb has begun.

The extent of this recession is difficult to gauge. It may be that the C.I.O. can put itself on a stable basis and still consolidate its position. But present indications are that much of the strength gained in its spectacular drive upon unorganized industrial labor will be lost before the readjustment is concluded.

Whatever the residuary power of the C.I.O. may be, it will represent a feat of intensive, ruthless organization. No exact C.I.O. membership figures are available, and the round figure approximations are subject to discount. It appears likely, however, that the C.I.O. has achieved a substantial portion of the claimed expansion in membership of affiliated American and Canadian unions—from one million to three million since the break with the American Federation of Labor last fall.

### *Crash Threatens C.I.O. Machine*

Nevertheless, it becomes increasingly evident that the tremendous momentum which has swept the C.I.O. along has been lost. The high powered C.I.O. machine has slowed down. It shows signs of slipping backward down a hill greased with hostile public opinion, alienated political support, and aversion of workers disquieted by the C.I.O record.

This development applies equally to the United States and Canada, more so in this country, where the C.I.O. has failed to gain a real foothold. Even though one concedes the accomplishment of the C.I.O. in penetrating mass production industries hitherto impregnable to labor organization, and in building up a huge centralized body of previously unorganized unionists in a short time, there seems no doubt that this process has reached a saturation point vastly below the C.I.O. objective.

What is more important, factors have arisen which make it doubtful whether the C.I.O. can ever reach as high again after the present recession.

Development of these factors, including unfavorable public opinion and cooling political support in the United States, dates from the decisive stand taken months ago by governmental leaders in Canada. Federal ministers made it quite clear in February and March that sit-down strikes would be firmly suppressed. The premiers of Ontario and Quebec went much farther, and by public pronouncements and definite action did everything possible to block inroads of C.I.O. bodies.

### *Tense Feeling Eases*

In Canada, the C.I.O. push has not progressed nearly as far toward its goal as the C.I.O. drive in the United States. The tense atmosphere engendered by the threat of a general C.I.O. drive upon Canadian industry has been replaced by a calmer condition in which any continued labor organizing is on a more normal, gradual basis.

From Communist allies of C.I.O. union organizers there recently emanated an estimate that the strength of C.I.O. unions had been built up to 60,000 in Ontario alone. And it was estimated by the same sources several weeks ago that more than 50,000 Canadian workers had, since last fall, joined C.I.O. and other international unions affiliated with the Trades and Labor Congress of Canada.

But public estimates from such quarters in the past have proved even more undependable than those of ordinary labor organizers, and there is no evidence to support a belief that more than a fraction of these totals can be substantiated.

On the contrary, there have been numerous, publicly recorded developments pointing to failure of agents for C.I.O. and its unions to do more than barely get started before reaching the apparent limit of C.I.O. penetration of Canadian industry. The avowed intention of C.I.O. spokesmen and their Communist whippers-in to mobilize Canadian workers on a basis paralleling that in the United States, has little chance of fulfilment.

The only conspicuous success of the C.I.O. or an affiliate union in organizing workers and seeking recognition as bargaining agent from an employer, was in the majority enrolment of General Motors employees in Oshawa and less extensive organization in G. M. plants at St. Catharines and Windsor. This led to the April strike in Oshawa and signing of agreements with employee committees chosen by the union locals in the three centres.

Union officials claim to have added to the enrolment since the strike. They are now preparing to open negotiations for renewal of the agreements, which expire on Aug. 17. The same date will mark lapsing of the agreements between Detroit headquarters of the union and General Motors in the United States, and there is some hope that the renewed agreement covering American G. M. plants will be extended to cover Canadian plants.

### *Premier's Stand Major Factor*

The Oshawa mobilization proved a two-edged sword. For it served to precipitate the vigorous opposition of Ontario's Premier Hepburn to any attempt by the C.I.O. to assert control over Canadian industry and workers, particularly by high-handed, lawless or disorderly methods. This in turn heartened employers on both sides of the border and stiffened their resistance to dictatorial C.I.O. tactics. It was a major factor in crystallizing both American and Canadian public opinion against the C.I.O. bid for industrial-political power.

In the past three months, both domestic and imported organizers of the United Automobile Workers have failed to make headway toward mobilizing workers in any other auto manufacturing plant in Canada. They have had to be content with organizing employees of two auto parts plants in Oshawa, and two auto supply metal plants in Windsor. The drive on the Canadian automotive industry as a whole, aside from General Motors, appears to have been checked as effectively as that against the Ford Motor Company in the United States.

In the Canadian steel industry, the progress made by the Steel Workers Organizing Committee and the Amalgamated Association of Iron, Steel and Tin Workers (both C.I.O units) has been even less impressive than among the automobile workers. The decentralized campaigns of these bodies in Sydney, N.S.; Montreal, Toronto, Hamilton and adjacent centres, has resulted in organization of dominant union groups in none of the major plants. Winning of union recognition and agreements in only three comparatively small plants in Oshawa and Hespeler, Ont., has been achieved.

Organization work among employees of Dominion Steel and Coal Corp. in Nova Scotia has been directed by officers of United Mine Workers, the union of John L. Lewis, C.I.O. chieftain. But the movement has so far failed to become strong enough to demand an agreement and union recognition, or to threaten a strike.

### *Collapsed in Montreal*

In Montreal, the initial attempt of the C.I.O. steel organizers to gain a foothold collapsed dismally when strikers in a small plant returned to work without gaining any concessions.

The C.I.O. was unable to do anything with the obvious opportunity to organize steel workers in Sorel, Quebec, and a strong foothold was gained instead in that city by the National Catholic Unions, bitter opponents of international unionism.

In Hamilton, only 10 or 15% of steel workers have been organized. In Toronto, a little better success has been achieved with a claimed total of from 25% to 30% of the city's 7,000 steel workers enrolled, but no agreement or union recognition has been won.

The union organizers claim "almost full organization" in half a dozen major plants in Toronto and some smaller ones, and report that union men dominate shop committees in three plants. The Financial Post is informed, however, that in at least one of these three plants, enrolment sufficient to force tentative recognition several months ago has fallen off to a point where the union is no longer regarded as a serious factor among employees.

In the textile field, the C.I.O. has suffered a major setback in Canada. Locals of the United Textile Workers recently decided to sever relations with the U.T.W. and C.I.O. and hook up directly with the Trades and Labor Congress of Canada. This move was admittedly for the purpose of getting rid of the embarrassing connection with the C.I.O., to mitigate employers' resistance to doing business with a C.I.O. union, and to form a purely Canadian organization of textile workers.

### *C.I.O. Label an Obstacle*

This is seen as a tacit admission from C.I.O. quarters that the difficulties of operating in Canada under the wing of a C.I.O. body form too great an obstacle to continued progress among Canadian workers. Certainly The United Textile Workers have thus far made limited headway in this country.

Successful operations of the National Catholic Unions in Quebec have kept the U.T.W. from gaining a foothold there, except for a local in Three Rivers dating back to the days when the U.T.W. was still linked to the American Federation of Labor. In Cornwall, it established itself in the Courtauld rayon plants in pre-C.I.O. days nearly a year ago, but its mobilization of Canadian Cottons workers for the current strike in the same town thus far has failed to bring the company to terms.

In Toronto, the U.T.W.-engineered strike of Ontario Silknit workers was a failure. In Peterborough and Kincardine, Ont., strikes of textile workers found the U.T.W. with little organized strength and failed to win any concessions or recognition. The U.T.W. successfully tied up the Empire Cotton Mills in Welland with a strike early this year, but considerable hardship was suffered before the strike was settled, and the workers returned to work with little to show for their unionization.

Little or nothing has been heard of the United Rubber Workers, another C.I.O. affiliate operating in Canada, since it succeeded in partial organization of four rubber plants in Kitchener, Ont. A strike in a minor plant in Toronto proved abortive, and the plant resumed operations with non-union employees and new workers. Enrolment in major plants in Toronto, New Toronto, and other parts of Ontario has been limited or nil, and no inroads whatever are reported from Quebec rubber manufacturing circles.

### *Mines Drive a Failure*

Alarm over threatened C.I.O. penetration of metal mines in Northern Ontario and Quebec appears to have subsided. Latest reports are that despite assiduous organizing activity in Sudbury, Kirkland Lake, Timmins, and other centres, agents for the International Union of Mine, Mill and Smelter Workers have failed to build up more than an impotent nucleus among the well paid and well treated miners, except in some of the smaller mines where operating difficulties have prevented payment of good wages.

In two gold mines in the Cariboo area of British Columbia, organization of miners and demands for recognition resulted in prompt closing of the mines. One is still shut

## Workers Here Now Find C. I. O. Label Handicaps Drive for Recognition

down and the other is operating at near normal capacity with workers who deserted the union and returned to work.

Of the thousands of workers in the Canadian electrical and radio industry, fewer than 1,500 have been corralled by the C.I.O. unit in the field after organizing efforts lasting three to four months in five Ontario cities. Emulating organizers in the steel industry, the radio-electrical union agents have been forced to content themselves with claiming that the union campaign has been responsible for wage increases and other benefits given voluntarily by various companies.

The only real progress by the C.I.O. in Canada appears to have been made by the C.I.O. unions in the men's and women's clothing industries of Montreal and Toronto, and these groups were already pretty well organized in their respective fields at the time the C.I.O. was formed. Since the start of this year, they have strengthened their position and extended their membership, and in Montreal defeated an attempt by the National Catholic Unions to invade their field with the support of Premier Duplessis.

In the general field of labor organization, the C.I.O. lost face when the split in the Hamilton Labor Council left A. F. of L. unionists in control.

### *Rift in Trades Congress Seen*

C.I.O. and A. F. of L. unions in Canada are still united through affiliation with the Trades and Labor Congress of Canada, but there have been signs that this harmony may be dissipated when the Congress holds its convention in the fall. Pressure of public opinion may affect the stand of present leaders, drawn mostly from conservative A. F. of L. unions.

In the virtual halting of C.I.O. impetus in Canada, one factor may have been the failure of the C.I.O. to allocate any extensive assistance in the shape of finances and personnel to Canadian operations. Also, there has been no noticeable repetition in Canada of the C.I.O. system below the border — turning whole squads and battalions or organizers loose on a particular plant, area or industry selected for penetration.

But there seems no doubt that the chief obstacle encountered by the C.I.O. movement in Canada has been the same as that which has brought the American C.I.O. drive up short—loss of political support and public sympathy through resort to law defiance, disorderly methods, provocation of violence, and attempted dictatorship of workers, industry and constituted authority.

In the United States the recent attempt to gain control over major independent steel companies was spiked largely because state and local authorities refused to back up with police or militia the attempt of C.I.O. minorities to keep work-hungry men away from their jobs. In several states, in fact, back-to-work movements were given protection by official armed forces.

In three cases, the C.I.O. was forced to suspend the strike without an agreement with the companies concerned, and had to be satisfied with indirect triangular agreements with state governors functioning as repositories of the undertakings made. In another case, Republic Steel, operations are gradually being built back to normal capacity through back to work movements.

### *Survey Shows Hostility*

Just how extensive is the swing of public opinion away from the C.I.O.—and politicians are quick to respond to public sentiment—is indicated by the latest quarterly survey of the magazine Fortune. Of those canvassed, 53% were hostile, indifferent or indecisive in regard to both the A.F. of L. and the C.I.O., while of those backing the C.I.O. or A.F. of L. or both, fully two-thirds favored the A. F. of L. Three-quarters of those replying were definitely opposed to sit-down strikes, and 72% were for incorporation of unions to compel responsibility and curb outlaw tactics such as those of the C.I.O. and its Communist allies.

With the drift of sentiment in such a direction, it is not surprising that public authorities modified or abandoned their protection of the C.I.O. drive. So definite has become the public objection to C.I.O. excesses, Red alliances and bid for political power, that even President Roosevelt and C.I.O. sympathizers in his cabinet have reversed their one-time attitude of tolerance and encouragement.

The change of heart at Washington has gone to such an extent that Lewis and other C.I.O. leaders realize they have lost their official imprimatur, and they have now begun to criticize the administration and mobilize political strength to back up C.I.O. economic aims.

In the meantime, there are indications that the National Labor Relations Act (Wagner Act) may not continue for long to favor C.I.O. and other union organizers and leave employers virtually helpless. Definite campaigns are under way by political and business groups to amend the Act so as to equalize the position of unions, employers and non-union workers, and to impose some degree of responsibility on labor bodies which have shown themselves incapable of self discipline.

Against a background of strife and disruption, mainly in the United States, the C.I.O. bid for industrial and political power on this continent has now run into snags which has slowed it almost to a standstill. An important factor in stiffening resistance to the C.I.O. advance was the emphatic opposition of Premier Hepburn of Ontario, pictured above at right. At left is John L. Lewis, C.I.O. chieftain and darling of the Communists, in typically belligerent pose.

# Germany Still Does the Impossible

## Post Writer Marvels at Paradox in Finance Which Seems to Work—Sees Nazis as Hosts and Purgers

By MURRAY R. CHIPMAN
Eastern Manager The Financial Post

The German scene has changed since my last visit in the fall of 1935, when I wrote a series of articles for The Financial Post.

It is the word "paradox" that I find coming most insistently to my mind. For the Germany of today presents many paradoxes. Some of them were present two years ago but others have been brought sharply into focus.

For example, I was invited to the "Fête de Nuit," given by Dr. Goebbels, minister of propaganda, on behalf of the Government of the Reich, to the delegates attending the Congress of the International Chamber of Commerce. It was held on a gracefully wooded island, some 12 miles out of Berlin, on the way to historic Potsdam. Auto buses were provided for the journey.

The bridge from the mainland to the island was built of army pontoons. A soldier with rifle guarded each end. Yet from this austere reception we stepped into a fairyland of decoration, refreshment and entertainment which only that amazing master of showmanship, Dr. Goebbels, could have concocted.

There was nothing to suggest the Germany we read about, the Germany of hunger, ill-appeased by "ersatz." We walked through a lane of freshly-uniformed page girls, dressed in white and carrying white staffs, to a great circle of tables around a central stage. Over the stage in conical diamond shape and fanning out from it were thousands of Japanese lanterns.

An excellent cold supper was served, during which dance melodies, as familiar in Halifax or Vancouver as in Berlin, and blaring out through loud speakers, tempted the diners away to the circular stage. The evening grew cool and rain threatened. Lap rugs appeared as if by magic for the guests.

A troupe of Bavarian folk dancers in costume appeared on the stage. Later there were ballet dancers from the state opera. At eleven o'clock the most spectacular fireworks any of us had ever seen aroused and deafened us. Some of the guests remained until three o'clock in the morning for there was an open bar (and German wines and champagnes are good).

Probably 1,500 foreign guests came away from this "Fête de Nuit" impressed with the versatility and hospitality of their presumably economically-embarrassed German hosts.

### *Two-sided Picture*

This was one Germany. The next day another presented itself to us. We were shocked to learn of the arrest of Dr. Martin Niemoller, intrepid U-boat commander of the war days and pastor of the Protestant Church at Dahlem in Berlin, one of the last surviving leaders of the clerical resistance to state interference with the church.

In 24 hours Germany charmed and shocked its foreign visitors. For, regardless of the conflicting viewpoints in this situation, the fact remains that persecution of the clergy, the seizing of church funds and the trials of various Catholic priests alienate a great deal of world sentiment from even the useful things the German leadership is accomplishing.

Let us turn to a brief survey of Germany's economic position.

Germany's whole economic policy is pointed toward the objective of self-sufficiency. The German philosopher Fichte is much quoted. He preached that economic isolation was the way to peace. It would enable the country to avoid the entanglements that came from trade and led to war.

### *A Regimented Nation*

But Germany did not need Fichte to teach it the doctrines of autarchy. Germany's experiences in various ways have demonstrated the weakness inherent in dependence upon foreign supplies of raw materials and foods. And Germany's problems of foreign exchange, so largely the product of the unfortunate post-war policies of the Allies of 1914-1918, have given impetus to the movement to make Germany independent of all other nations, no matter what the cost.

To achieve self-sufficiency, Germany has organized a new type of state, a state in which the individual counts for nothing and the nation counts for all. The whole economic system is being quickly regimented to serve the national interests regardless of the rights of private property, the desires of individuals, and regardless too of the cost in human suffering and sacrifice.

Up to now the results have been rapidly increasing production. The "total" figures of production in Germany are impressive. What they may mean in terms of human happiness and the standard of living is another story and one that is much more difficult to write.

### *Boosting Buying Power*

Trade in Germany has been stimulated by an increase in marriages and a rise in the number of births as well as by dictatorial organization.

In 1932, there were 509,600 marriages in Germany; in 1936 there were 610,000.

In 1932, 978,200 new Germans saw the light of day; in 1936 births totalled 1,279,000.

To house the new families many new homes have been built. In 1932, new homes totalled 159,100; in 1936 they totalled 294,600.

Germany had 11.5 millions of its citizens employed in 1932 and 17.9 millions in 1936.

Wages increased in about the same proportion, from 11.3 billion Reichmarks to 18.6 billion Reichmarks.

Some production figures will also be of interest although it is not my desire to burden this article with any more than key statistics revealing the larger trends.

(Continued on page 13)

# Your Investments

*What We Do:*

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### Int. Metal Preferred

I am considering purchase of International Metal preferred and would like your comments. Will you give me some information on earnings?

International Metal Industries Ltd. has two classes of preferred stock outstanding, both carrying a 6% cumulative dividend rate and arrears of dividends of approximately $32 a share. The chief difference is that the "preference" is convertible into common stock, two common for one preference. But the "class A preference" is convertible, five shares of preferred for six shares of common. This conversion feature has no present value, and it is hard to say whether these distinctions will be important when it comes to making some sort of settlement of the arrears of dividends. Such a settlement is likely to be forthcoming toward the end of this year, we are informed, and at the same time it is expected the company will resume payments on the preferred. The arrears might be settled largely in common shares, and only partly in cash. The preferred shares have some attraction, in that they sell well below the level of 100 plus arrears. If you decide to purchase, it might be a good plan to buy one share of common along with each preferred, as a sort of hedge against what may be done in connection with the arrears. The company last year earned $7.77 a share on the two classes of 6% preferred and is expected to show an increase this year.

### Traders Finance

Traders Finance stock has been recommended to me as a good buy and I would appreciate your information on it.

You do not say which shares of Traders Finance Corp. have been recommended to you. There are two classes of preferred shares of $100 each, there are income funding rights of two classes, and there are also two classes of common stock. The company has done very well in the last two or three years. It is covering its preferred dividends by a wide margin, and last year earned $3.48 a share on the combined class A and class B common stocks. The shares are not listed and at times the market is rather restricted.

### Restigouche Co.

I would be much obliged if you would kindly give me your views on the Restigouche Co. 6% bonds, due 1948.

Reports on operations and earnings of Restigouche Co. over the past year have been encouraging and in view of the high coupon rate, the bonds have risen above 100. The bid price is 112½ and the asked price 115. The much better showing of the company and consequent strength in the market value of its bonds have been due to the strong demand for the company's bleached sulphite pulp. This division of the pulp and paper industry appears particularly promising at this time and it is anticipated that the earnings statement for 1937 will be the best reported in several years. In considering this bond, you should remember that there is a fair amount of deferred interest which is likely to be paid off before long if the present rate of earnings is maintained.

### Maple Leaf Milling

Holding Maple Leaf Milling bonds, which I bought under 50, I would like your comments on the outlook for this investment.

Maple Leaf Milling Co. has had substantial improvement this year over the net earnings of $459,000 in the year ended July 31, 1936. The company requires about $600,000 annually to take care of depreciation and all interest charges, and last year there was a deficit after these deductions from income. Some of the interest is being paid by issue of class A shares and does not represent a cash outlay by the company. However, in 1938 all bond interest charges become cumulative, and as the company also has a deferred bank loan of $2 millions, it will have difficulty in paying the full cash charges, unless conditions improve further in the flour milling industry. It has been suggested that another reorganization may be necessary when the present five-year plan expires in 1938. At the price you paid, the bonds are in a comparatively comfortable position, but the company's need for substantially increased working capital may necessitate some further adjustment of the bondholders' claims. The outlook for earnings in the new year which has just started is none too good because of market conditions which give U.S. millers price advantages in export business.

### Burlington Steel

Kindly give me a summary of the earnings situation for Burlington Steel Co. common.

Burlington Steel Co. is handling very much larger tonnages than last year and its plant has been operating at capacity. The current dividend rate is 80 cents a share annually. Last year's earnings amounted to $55,892 or 39 cents a share on the outstanding 140,000 shares. Average annual net profits for the past 10 years have been $105,065 or 75 cents a share. Earnings this year are expected to show a substantial increase. The company is in the type of industry that has periods of feast or famine. Of course, with the construction situation the way it is, and so much deferred maintenance, the company may remain active for some years.

### Fraser Companies

Among my holdings are some of the voting trust certificates of Fraser Companies. Will you please be good enough to let me have a report on this enterprise?

Fraser Companies has brought about an improvement in its position, as reflected in the interim statements issued by the company. For the first six months of 1937, net income, after interest charges and depreciation and depletion, amounted to $537,115. The trend of quarterly earnings has been steadily upward and it is anticipated that the financial statement for 1937 will make better reading than the one for last year. The outlook continues favorable, which is reflected in the relatively strong market for the stock.

### Goodyear Tire

Please give me a summary of the dividend and earnings outlook for Goodyear Tire common.

Goodyear Tire & Rubber Co. showed earnings last year of $4.83 a share on the common stock and is well able to continue a generous dividend policy. In the past 12 months dividends have amounted to $5 a share and although the regular rate is $2.50 a share, the company is in a strong financial position to disburse extra payments when the year's results are known. So far this year, the company's business has increased, and it is anticipated that improvement will be shown in earnings. However, the company is not one in which earnings increase sensationally but is more likely to show moderate growth.

### International Hydro

What is your view in regard to International Hydro's 6% debentures of 1944? Is the company in a sound position?

International Hydro 6's of '44 depend on revenues which are largely derived from junior security holdings in New England Power Association and Canadian Hydro-Electric Corp. No revenue has been received from either source of late. Prospects of revenue from Canadian Hydro are improved as a result of the plan to merge Canadian Hydro with Gatineau Power, but it is difficult to say when the latter will be able to pay anything to the parent company. There is no immediate likelihood of income from New England Power. Eventually International Hydro-Electric System will be reorganized, but at this time it is impossible to say just what steps will be taken with regard to the debentures.

### Winnipeg Electric

Among my holdings are some Winnipeg Electric Co. preferred shares. Would you kindly let me have a report on this security?

Winnipeg Electric, on its new capital set-up, has net income sufficient to take care of interest payments on the series B bonds. Prospects of dividend payments on the preferred and common stock are somewhat remote, as before such action can be taken it would be necessary for the company to redeem its outstanding contingent certificates.

### Mersey Paper

Please let me have a report on Mersey Paper Co.

Mersey Paper is one of the few Canadian newsprint companies which has been able to meet all its debt obligations during recent years. The company is ably managed and operations have been conducted at a profit throughout the depression years. Up to date it has been the policy of the company after payment of interest charges, to appropriate the balance for depreciation reserve.

A short time ago the company publicly financed its first mortgage bonds, which hitherto had been deposited as collateral against bank loans. The rate received by the company was favorable, and should result in some saving in interest charges. The outlook for earnings is favorable. Operations are at capacity and with a higher price for newsprint this year, and a substantial advance scheduled for 1938, earnings should increase.

### Donnacona Paper

I hold $2,000 first mortgage bonds of Donnacona Paper Co. purchased for 93. What is the present price of these bonds? Does the outlook for the company continue favorable?

Donnacona Paper Co.'s first mortgage bonds are currently quoted around 86. This company has brought about an improvement in its position, both as regards operations and earnings. Plans are under way for increasing the capacity of the newsprint and pulp divisions. In view of higher prices, the financial statement for 1937 should be the best in several years. Added to that is the prospect of a further substantial increase in newsprint prices for 1938, so that prospects are encouraging.

### General Brock Hotel

Please give me a report on General Brock Hotel Co. regarding the financial position with respect to the 3% second mortgage bonds.

The balance sheet of General Brock Hotel Co., at Dec. 31, 1936, showed current assets of $38,000 against current liabilities of approximately $21,662. There is a 6½% first mortgage of $245,000, ahead of $691,500 of 3% second mortgage bonds. Interest on the second mortgage is a fixed charge from June 1, 1937, and the first fixed payment at the 3% rate is payable Dec. 1, 1937.

The hotel is located at Niagara Falls, Ont., and has had considerable competition from tourist camps and private rooming places, and it is hard to say whether this source of competition will ever be satisfactorily cleared up. We understand that earnings appear likely to cover the 3% interest due on Dec. 1. No income has yet been paid on the bonds due because it was not a fixed charge, and the earnings were not sufficient to allow payment.

### Brown Co.

I would appreciate if you would tell me something of the current prospects of Brown Co.

Brown Co.'s operations and earnings this year have been on a better basis than at any time in the past several years. The company is understood to be earning all its bond interest, depreciation and preferred dividend. However, the enterprise is still in bankruptcy and it is not expected that the receivership will be lifted until late in the year. It is believed that the company will have no difficulty in securing additional funds for working capital purposes. Brown Co.'s principal product is high-grade sulphite pulp for which there has been an exceptionally strong demand over the past year. The company has not only got a good volume of domestic business, but is doing a considerable export trade. While there has been no official statement, it is understood that the company plans to bring about a further large increase in the capacity of its plant at La Tuque, P.Q.

### Canadian Car

Will you kindly give me a report on Canadian Car and Foundry as to its investment position and prospects?

Canadian Car and Foundry Co. is reported to be currently putting through about $2.5 millions of business a month. For the year ending Sept. 30, it is expected that the company will do a gross business of $14 millions, which would permit earnings on the preferred stock of the company, after maximum depreciation and all taxes, of over $2.50 a share. In the year ended Sept. 30, 1936, the company reported a net profit of $7,685 for distribution on 283,115 shares of preferred. If the expected earnings are realized, it is more than likely that the management will take steps to put the preferred stock back on a dividend basis. No dividends have been paid since 1933.

### Dosco

Among my holdings are some of the class B shares of Dominion Steel and Coal Corp. Is this company getting along all right?

Dominion Steel and Coal's present operations are not far short of capacity. The steel mill has a substantial volume of business on hand, both in the domestic and export trade, while the coal and iron ore properties are working on a more extensive basis than for some time past. Net earnings this year may be sufficient to enable the company to liquidate interest arrears on the debentures, as well as leaving something over for the stock.

### Consolidated Paper

I would appreciate an expression of opinion from you as to the prospects for Consolidated Paper Corp.

Consolidated Paper Corp. has strengthened its position in the last five years. While it was not possible for the company to resume cash interest payments on its bonds at the expiration of the grace period, there has been marked improvement in its position. Sales have been steadily increasing and while the company still has surplus capacity, it is more than likely this will all be taken up provided that demand for newsprint continues its expansion. Earning power has shown a steady growth, which should be even more marked as a result of operations this year and, particularly, in 1938, when there is scheduled a substantial advance in the selling price of newsprint.

### Imperial Oil

As I am considering purchase of Imperial Oil shares I would like to know whether I can expect increased dividends from the shares.

Imperial Oil controls International Petroleum Co. Since International Petroleum is already paying dividends in excess of its stated net profits and Imperial Oil is doing likewise, there is no early prospect of increased dividends. However, Imperial Oil shares yield nearly 5% at the current price. Imperial Oil does not appear to have the same scope for increasing its earnings as does International Petroleum, being a refiner and marketer of petroleum products. International Petroleum as a producer benefits from higher crude oil prices. Since Imperial Oil obtains the major portion of its income from International Petroleum dividends, you might consider the alternative of buying International Petroleum shares directly.

### Alberta Pacific

I have held some of the preferred stock of Alberta Pacific Grain for the last 5 or 6 years. Do you think there is any likelihood of the company making a comback?

The western crop situation has been unsatisfactory for some time past, with the result that the grain companies have experienced considerable difficulty in making ends meet. This is apparent from the balance sheet of Alberta Pacific Grain, which shows a limited working capital. The income account has not shown any particular strengthening in recent years and on June 1, 1937, the company failed to meet the sinking fund payment of its bonds. The western grain situation will have to improve materially before you can expect much recovery in the preferred, and the outlook for next year is discouraging.

## Accept Debt Plan For Victoria City

### Bondholders Give Qualified Approval of Fortin Proposal

**From Our Own Correspondent**

VANCOUVER.—Bondholders have given their qualified approval to Victoria City's plans to adjust the city's debt structure. The bondholders, resident in Canada, Great Britain and the United States represent holdings aggregating $14,588,561.

The plan was worked out by Jules Fortin, who has been devising refinancing policies for several western cities during the past three years and who visited Victoria and Vancouver earlier in the year.

Under the original plan, city bond issues with less that 4½% interest would be carried for 40 years at the same rate. Issues bearing higher interest would either be carried at their present rate to maturity, when they would be converted to 4½% from the time of maturity until 1976 or could be converted immediately into 4½% debentures.

**Investment Analysis**

## C. S. L. Bonds

### High Yield and Possible Capital Gain Offer Compensation for Lack of Seasoning in New Security

**From Our Own Correspondent**

MONTREAL.—Canada Steamship Lines new 5% first mortgage bond issue is still in need of seasoning and is not classed as a first rate bond (judged by ordinary investment standards). It yields 7.8% on the present market value of approximately 73.

Operations of the company cover the Great Lakes-St. Lawrence water transportation system in its entirety. The company's fleet consists of 99 steamships, which include 83 freight and package freighters and 16 passenger steamboats. Last March it was announced that 24 vessels were obsolete and out of service. They are being scrapped, and will not be replaced, leaving the company with 75 serviceable vessels.

Other properties owned and operated by C.S.L. include a four million bushel elevator at Midland, Ont., and a 2.5 million bushel elevator at Kingston, Ont.; the Manoir Richelieu at Murray Bay and the Tadoussac Hotel at Tadoussac, P.Q.; wharves at all the ports on the Great Lakes and St. Lawrence; coaling stations and distributing systems; shipbuilding and repair yards and wrecking services at various points along the waterways.

**Past History**

The past history of the enterprise has not been a particularly inspiring one for the investor. The trouble basically was that the company was too heavily capitalized on the basis of assets rather than earning power. Operations are only possible during the open season of navigation. Consequently for five months of the year few, if any, of the assets are productive. However, in normal years the company can report a comfortable income, though in only two years since 1913 has there ever been a surplus sufficient to warrant dividends on the common stock. The dividend record of the preferred has been somewhat better, but hardly impressive.

When the depression set in, the company had a capitalization consisting of over $3 millions of 5% debenture stock; nearly $18 millions of 6% general mortgage bonds; $15 millions of 6% cumulative preferred and 120,000 shares of no par value common, together with a bank loan.

By the beginning of 1936 the company was still paying interest on its first mortgage debenture stock, but sinking fund was in arrears; interest on the general mortgage bonds was in default; cumulative dividend arrears on the preferred amounted to several millions, but bank loans had been eliminated.

A thorough capital reorganization was carried out at the beginning of this year, Under the plan the 5% debentures will be paid off on Aug. 15, after which the bonded debt will consist of $10.5 millions of 5% first mortgage bonds. The new preference amounts to $11,462,500, non-cumulative until 1942 unless the dividend is earned, and 300,000 shares of no par value common stock.

**Benefits from Plan**

Savings to be realized from adoption of the plan are summarized as follows

Elimination of annual interest and sinking fund on the debentures to be retired, $462,000;

Saving in depreciation charges from writing down of assets, $507,000;

Saving in interest charges from new 5% bonds, $525,000;

Additional reductions in annual charges, $275,000;

Total estimated savings are $1,769,000 a year, of which $1,419,000 would go to improve the company's net income.

On the new basis the company will need only $525,000 to pay interest charges on the first mortgage bonds, the lowest debt charges probably in its history.

It is estimated that about $1¼ million of net income will be sufficient to enable the company to cover depreciation and interest charges under the new arrangement. Last year net income totalled $1.3 million. Records going over many years show that in only two years—1933 and 1932, did net income drop below $1.2 million annually. In both those years, however, income was sufficient, but before depreciation, to cover interest charges on the new basis.

**Prospects Are Fair**

Conditions in the lake and river steamship trade are still below normal, but it is felt that C. S. L. will be able to carry the debt charges under the new plan. As far as this year is concerned, net income of the company should be somewhere in the neighborhood of 1936 earnings, despite very poor prospects for the grain movement from the head of the lakes to the seaboard. The movement of iron ore and coal is definitely better than in 1936 and rates show some improvement. Package freight and passenger traffic are ahead of last year and prospects for the continuation of this are encouraging.

It will not be possible to make accurate estimate of earnings for this year until the grain movement is known. Admittedly prospects in this regard do not look good at this time, but the improvement in other divisions is likely to compensate.

As mentioned at the beginning of this analysis, C.S.L.'s new 5% first mortgage bonds are still in need of seasoning. But in these days of low interest rates, a yield of close to 8% should not be overlooked because of the speculative features attached to the bond. A risk exists, and is discounted in the present price of about 73.

Suggestions for August Investment

OUR August folder includes special references to the issues of Quebec Power Company and Canadian National Railways Equipment Trust Certificates, issued under the Philadelphia Plan. There is also included a diversified selection of Dominion, Provincial, Municipal and Corporation securities.

We shall be glad to send you a copy on request.

*Kindly write or telephone WAverley 3681*

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(Incorporated under the Ontario Companies Act)

AND ITS SUBSIDIARY

### CONSOLIDATED BALANCE SHEET AS AT 30th JUNE, 1937

**ASSETS**

| | | | |
|---|---|---|---|
| Cash on Hand and in Banks | | $ 130,738.07 | |
| Accounts Receivable | $209,018.08 | | |
| Less: Reserve for Doubtful Accounts | 50,000.00 | | |
| | | 159,018.08 | |
| Inventories of Ingredients, Finished Products and Supplies, as determined and certified by the management, valued at the lower of cost or market | | 160,278.57 | |
| Bonds guaranteed by the Dominion of Canada—at cost (Market Value, $107,525) | | 109,191.64 | |
| | | | $ 559,226.36 |
| Mortgages Receivable | | | 20,199.80 |
| Buildings and Equipment—at cost | $4,813,099.43 | | |
| Less: Reserve for Depreciation | 2,611,996.86 | | |
| | $2,201,102.57 | | |
| Land — at cost, less amounts written off. | 381,184.82 | | |
| | | 2,582,287.39 | |
| Prepaid Insurance, Taxes and Other Charges | | | 75,496.36 |
| Goodwill (less amounts written off) | | | 500,000.00 |
| | | | $3,737,209.91 |

**LIABILITIES**

| | | | |
|---|---|---|---|
| Accounts Payable, Wages and Other Accrued Charges | $ 216,126.53 | | |
| Taxes Due and Accrued | 57,767.08 | | |
| Bond Interest Accrued | 18,870.00 | | |
| Dividends on Preference Shares — Payable 2nd July, 1937 | 34,375.00 | | |
| | | | $ 327,138.61 |
| Deposits by Salesmen | $ 70,613.38 | | |
| Less: Cash and Government Bonds held in trust | 70,613.38 | | |
| First Mortgage 6% Sinking Fund Gold Bonds, due 1941, Issued Less Redeemed | | | 754,900.00 |
| Capital: Authorized and Issued— | | | |
| 12,500 Cumulative Redeemable First Preference Shares of $100 each, redeemable at $110 per share, entitled to cumulative dividends at 5% per annum to 1st July, 1941, and 6% per annum thereafter | $1,250,000.00 | | |
| 25,000 5% Cumulative Participating Redeemable Class "B" Preference Shares of $50 each, redeemable at $100 per share (Note: Dividends in arrears from 1st July, 1936) | 1,250,000.00 | | |
| 200,000 Common Shares of no par value | 25,000.00 | | |
| | $2,525,000.00 | | |
| Earned Surplus — as per statement attached | 130,171.30 | | |
| | | | 2,655,171.30 |
| | | | $3,737,209.91 |

### CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the Year Ended 30th June, 1937

| | | |
|---|---|---|
| Profit on operations before charging bond interest, depreciation and income and corporation taxes | $ 472,479.31 | |
| Interest earned on investments and bank deposits | 4,709.38 | |
| | | $ 477,188.69 |
| **Deduct:** | | |
| Bond Interest | $ 50,693.50 | |
| Provision for Depreciation of Buildings and Equipment | 165,159.06 | |
| Premium Paid on Bonds Redeemed | 16,176.53 | |
| Loss on Sale of Real Estate | 4,016.66 | |
| | | 236,045.75 |
| Net Consolidated Profit for the year before charging Income and Corporation Taxes | | 241,142.94 |
| **Deduct:** | | |
| Provision for Income and Corporation Taxes | | 54,251.49 |
| Balance transferred to Surplus Account | | $ 186,891.45 |

### CONSOLIDATED SURPLUS ACCOUNT
For the Year Ended 30th June, 1937

| | | |
|---|---|---|
| Balance at 30th June, 1936 | | $ 75,579.85 |
| **Add:** Net Consolidated Profit for the year ended 30th June, 1937, after charging provision for Income and Corporation Taxes | | 186,891.45 |
| | | $ 262,471.30 |
| **Deduct:** | | |
| Dividends on Preference Shares | | |
| First Preference Shares (5%) | $ 62,500.00 | |
| Class "B" Preference Shares (5%) | 62,500.00 | |
| | $ 125,000.00 | |
| Additional Income Tax Provision in Respect of Prior Years Operations | 7,300.00 | |
| | | 132,300.00 |
| Balance at 30th June, 1937 | | $ 130,171.30 |

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FIRE WINDSTORM AUTO CASUALTY

## Life Insurance

# English Law Decision Vetoes Suicide Claims

### V. Evan Gray Considers Effects on Canadian Practice

If a policyholder of a life insurance company suicides, are his beneficiaries entitled to collect the proceeds of his policy?

As indicated by the practice of Canadian life companies for many years, the answer is yes. Where suicide ends the insured's life after the one or two year exclusion period mentioned in the policy has elapsed, there has been no question of payment. Recently, however, the English Court of Appeal ruled that regardless of the terms of the contract it is contrary to "public policy" to contract that life insurance money shall be payable to the estate of a person whose life was ended by suicide.

In a recent issue of Bench and Bar, V. Evan Gray, K.C., prominent insurance counsel and formerly superintendent of insurance for Ontario considers the possible effects of this decision on Canadian practice. From Mr. Gray's article it would appear unlikely that the English decisions will have repercussions here. He points out, moreover, that the case many be taken to a higher court

In Quebec, the civil code provides that "insurance effected by a person on his own life is void if he die by the hands of justice, by duelling or by suicide." This appears to dispose completely of a much broader question, including the issue in the English case, Mr. Gray points out. In all other provinces of the Dominion, uniform legislation prevails. The only mention of suicide here is in respect to reinstatement of lapsed policies. It provides that if the contract which lapsed specified that suicide within a certain period of time voided the policy, a similar clause will apply from the date of reinstatement.

Policy provisions of the companies themselves in regard to suicide are much alike at the present time, but they have varied in the past. At one time, there was no suicide clause in the policy; then until about 1930, a clause excluding suicide for a year was in general use. At present, a similar clause, substituting a two-year limitation, is customary, although a few companies retain the one-year rule.

Mr. Gray states that "One may fairly come to the conclusion, by limiting one's consideration to the written contract and the statutes, that suicide occurring after this period of delay prescribed by the policy is not under Canadian law a valid defense to an action on the policy, whether the act is sane or insane. In other words, unless this new doctrine of the English Court of Appeal regarding the rule of 'public policy' applies in Canada, suicide is not a valid defense when it occurs after the specified period."

Mr. Gray points out in this connection that there is no Canadian decision which has applied the rule of "public policy" as it applies to the problem under discussion. Probably this arises from the fact that insurers have not contested the claims of beneficiaries to payments when suicide occurred outside the stated time limit. Further, if and when the Canadian courts are called upon to rule on it, Mr. Gray suggests they may avoid the result reached by the English court upon two grounds of distinction in this country: That insurers, who framed the contract were fair judges of the public interests in the matter; and that the eight provincial legislatures which codified the uniform statutes are also a safe guide as to what constitutes public policy. "With these as guides," he states, "Canadian courts, unless bound to follow the decision of the courts of England irrespective of these distinctions, should and are legally bound to leave the matter as it rests in Canada according to present practice. Finally, if any change is to be made in Canadian law or practice consequent upon the decision in England, it would be better that such change should be considered and decided upon by the legislatures of Canada rather than by the courts."

## *Life Volume Up in Quebec*

Net premium income of life insurance companies on business in Quebec province last year amounted to $53.3 millions, compared with just under $52.4 millions in the previous year.

Most of the increase was in ordinary business and in annuities. The former totalled more than $37.8 millions, up about $475,000 from 1935, while consideration received for annuities advanced $427,000 to $2.1 millions. Volume of industrial business was practically unchanged at $11.7 millions and group was slightly higher at at $1.7 millions.

Leading company in the Quebec field is the Metropolitan Life, whose premium income of $14.8 millions last year was just about twice that of the Sun Life, the second ranking company in respect to volume. Other companies writing premiums of more than $2 millions last year were the Prudential of America, Great-West Life, Mutual Life of Canada, Canada Life and New York Life.

## Fire and Casualty

# Quebec Experience Follows Dominion

Reflecting experience of the Dominion as a whole, fire and casualty underwriting in the Province of Quebec was featured last year by improvement in fire results and a sharply higher loss ratio in automobile business.

Official figures just published in the Quebec Gazette place net written fire business at $11.9 millions, about $127,000 under the previous year. This decline was more than offset, however, by a greater proportionate drop in losses. As a result, the ratio of net losses incurred to net premiums earned dipped to 45.19%. Recent reports from insurance companies would indicate that the declining fire loss figures which have enabled the companies to effect some rate reductions in recent years despite a steadily dwindling volume of business have been reversed this year.

**Automobile Ratio Up**

As in other provinces which have issued complete reports of 1936 business, Quebec automobile business showed the effect of considerably heavier traffic, and a resulting increase in the number and cost of accidents. Claims paid during the year amounted to more than $2.6 millions, well over $500,000 above the 1935 level. While volume of business was also higher, the increase was relatively smaller. Loss ratio for the year was at the unprofitably high level of 2.56%. Despite the increase in premium rates which was put into force this spring, many insurance men are of the opinion that this year's experience will not show much, if any, improvement over the 1936 results.

Figures on casualty business indicate a substantially greater volume in accident and sickness lines and in marine and inland transportation covers. Workmen's compensation, on the other hand, declined substantially.

Comparative figures on the various lines of business written are as follows:

| | Net Prems. Written | | Net Losses Incurred | | Earned Loss Ratio | |
|---|---|---|---|---|---|---|
| | 1936 | 1935 | 1936 | 1935 | 1936 | 1935 |
| | $ | $ | $ | $ | % | % |
| Fire | 11,875,039 | 12,001,900 | 5,314,753 | 5,500,508 | 45.19 | 48.15 |
| Automobile | 3,741,888 | 3,399,286 | 2,611,483 | 2,076,634 | 72.56 | 62.16 |
| Accident | 962,267 | 907,056 | 306,052 | 303,530 | 36.01 | 37.37 |
| Accident & sickness | 409,550 | 357,555 | 253,323 | 214,245 | 61.91 | 60.68 |
| Sprinkler leakage | 12,126 | 10,254 | 2,406 | 4,903 | 20.68 | 62.85 |
| Aircraft | 17,301 | 22,843 | 25,406 | —2,001 | 143.80 | .... |
| Livestock | 5,929 | 4,423 | 2,303 | —1,300 | 42.69 | .... |
| Plate glass | 163,073 | 164,331 | 97,548 | 101,338 | 62.30 | 68.54 |
| Boiler & machinery | 244,131 | 192,713 | 97,109 | 16,117 | 49.94 | 8.89 |
| Credit | 74,331 | 68,591 | —7,435 | 12,234 | .... | 17.62 |
| Guarantee | 496,121 | 488,949 | 119,545 | 141,737 | 24.90 | 28.93 |
| Hail | 46 | 2,560 | ...... | 5,323 | .... | 207.94 |
| Sickness | 361,297 | 345,333 | 272,492 | 223,865 | 76.20 | 65.50 |
| Marine | 923,551 | 646,049 | 767,305 | 626,187 | 87.56 | 99.39 |
| Property damage | 82,336 | 32,073 | 82,361 | 23,599 | 137.44 | 93.66 |
| Employers' liability | 274,623 | 238,723 | 142,259 | 129,055 | 54.49 | 58.11 |
| Workmen's comp. | 190,701 | 339,679 | 93,860 | 99,263 | 47.85 | 28.76 |
| Public liability | 546,987 | 507,897 | 222,689 | 264,298 | 42.26 | 52.29 |
| Weather | 6,406 | 6,447 | 964 | 2,257 | 27.35 | 27.02 |
| Inland transport | 425,056 | 333,450 | 145,211 | 129,259 | 35.30 | 41.25 |
| Theft | 595,724 | 558,887 | 223,100 | 279,393 | 38.27 | 47.47 |

### Two Companies Licensed By Federal Department

Two insurance companies were registered by the Federal Department of Insurance in the three months ended June 30, 1937. Arex Indemnity Co. of New York was licensed for insurance against liability for loss or damage from accident to employees or other persons or to property, with V. W. Gerrish, Toronto, Canadian chief agent. Clare Mutual Fire Insurance Co., of Belliveau's Cove, N.S., was authorized to transact fire insurance; A. A. Theriault, of Belliveau's Cove, is chief agent.

### American Life Men To Meet in October

Four days will be devoted to the annual meeting of the American Life Conventio.. at the Edgewater Beach Hotel, Chicago, in October, instead of the usual five days. The customary programme has been rearranged slightly so that the same amount of agenda as in years past will be considered October 11 to 14, inclusive.

The legal section will consume the first two full days, Monday and Tuesday. The financial and industrial sections will meet on Tuesday, the financial section having a full day meeting. The agency section will open the Wednesday programme, while the official general session of the convention convenes on Wednesday afternoon and continues through the whole day Thursday.

## Foreign Exchange

| | July 26 | July 27 | July 28 | July 29 | July 30 |
|---|---|---|---|---|---|
| Par ........... | | | | | |
| U. S. dollar, High | ...... | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 |
| Low | ...... | 1.00 | 1.00 1/32 | 1.00 | 1.00 1/32 |
| 1936, High | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 |
| Low | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| U. K. pound | 4.97⅞ | 4.98 | 4.97¾ | 4.98⅛ | 4.98 |
| Australia | 3.98½ | 3.98½ | 3.98⅜ | 3.98⅝ | 3.98½ |
| Austria | .1887 | .1887½ | .1889¼ | .1888¼ | .1884½ |
| Belgium | .1684 | .1684¾ | .1684¾ | .1685 | .1684¾ |
| Brazil | .0672 | .0675 | .0673 | .0675 | .0670 |
| Czechoslovakia | .0348⅞ | .0349 | .0349 | .0349 | .0349 |
| Denmark | .2224 | .2223¾ | .2222⅞ | .2225⅝ | .2224¾ |
| France | .0374½ | .0374⅞ | .0374⅞ | .0375⅛ | .0375¼ |
| Germany | .4026 | .4023¾ | .4027½ | .4027½ | .4026½ |
| Greece | .0091⅝ | .0091⅝ | .0091¼ | .0091¼ | .0091¼ |
| Holland | .5523 | .5523¾ | .5510½ | .5516½ | .5520½ |
| Hungary | .1976 | .1976⅝ | .1977¼ | .1977¼ | .1977¼ |
| India | .3763 | .3764¼ | .3763⅝ | .3761¾ | .3764⅝ |
| Italy | .0526¼ | .0525⅝ | .0526½ | .0526½ | .0526⅛ |
| Japan | .2895 | .2901 | .2901⅜ | .2901⅜ | .2901¾ |
| Jugoslavia | .0233½ | .0233⅛ | .0233⅝ | .0233⅝ | .0233⅝ |
| New Zealand | 4.01½ | 4.01½ | 4.01⅜ | 4.01⅝ | 4.01½ |
| Norway | .2503 | .2503¾ | .2502½ | .2503⅛ | .2503⅛ |
| Poland | .1894 | .1894 | .1895 | .1894½ | ........ |
| South Africa | 4.96⅞ | 4.97 | 4.96¾ | 4.97½ | 4.97 |
| Sweden | .2566 | .2562¾ | .2566⅝ | .2563⅝ | .2568⅝ |
| Switzerland | .2298 | .2297¾ | .2296½ | .2297⅝ | .2296 |
| Hong Kong | .3042 | .3048 | .3052 | .3057 | .3071 |

### Farmers Mutual Starts in N. B.

New Brunswick's first farmers' mutual fire insurance company was established last week, when Government approval was given the application of Stanley Mutual Fire Insurance Co. Up to the present, New Brunswick has been the only province in the Dominion where an insurance organization of this character has not been in existence.

The new company originated with a group of farmers about the town of Stanley. The charter provides, however, that business may be solicited throughout the province. The company is authorized to insure farm and non-hazardous property against loss by fire, lightning or explosion. Business will be on the premium note plan, subject to the provisions of the provincial company and insurance laws.

## Bank Chat

*Branch Banking*

United States bankers are once again in the throes of a unit versus branch banking controversy. And, as is customary in the perennial dispute, the Canadian system has been brought in either as a model of perfection or as a rigid, rather freakish development ill suited to the needs even of the Dominion, depending from which angle you want to look at it. Canadians who feel that the system here adequately meets their needs, as most of them do, have only a casual interest in the conflict of opinion to the south. But it is very much to their interest to see that the record of facts is kept straight.

In recent weeks two of the leading publications in the United States, the Saturday Evening Post and the Country Gentleman, have editorially expressed their views on the branch banking problem. Their comment on the Canadian banks is well summarized by two short sentences from the Country Gentleman. "In 1920, Canada had 4,676 bank branches. By 1935 the total had dropped to 3,065, indicating the communities that were deprived of banking services."

• • •

*"Bankless" Towns*

To anyone at all conversant with Canadian banking, both the statement of fact and the conclusion drawn are far wide of the mark. Possibly the publications have made their own census of Canadian banking institutions. Houston's Bank Directory, which is officially authorized by the Canadian Bankers' Association, shows that branches of the chartered banks in the Dominion now number 3,369. The lowest monthly total in 1935 was 3,423.

However, granting that there has been substantial reduction in the number of branches, what of the statement that this indicates communities deprived of banking services? Canadian bankers freely acknowledge that in recent years they have followed the policy of co-operative reduction of branch offices. That simply means that where there were too many branches to justify the volume of business in a community, one or more of the banks would close their branch in order that those who remained could operate more profitably.

It is a policy which has gone far to eliminate overexpansion of branches, admittedly a factor in post war Canadian banking. But the number of communities which has been left "bankless" has been almost negligible. In some Canadian cities there have been branches of different banks on the four corners of a busy intersection. Elimination of three would obviously increase business at the fourth, yet adequate banking services would remain.

• • •

*Home Loans*

When the Home Improvement Loan project was introduced in Canada, bankers were outspoken in their designation of the move as an emergency measure which would in all probability be temporary in nature. It was devised, was the claim, to goad a hesitant construction industry into some signs of activity. Any more definite pronouncement on what will be done if and when the government discontinues its partial guarantee of the loans will have to await that contingency.

The attitude adopted under somewhat similar circumstances in the United States is interesting. Government insurance under the American venture expired in April. Recently replies to a questionnaire indicate that 68 of every 100 banks who made the loans under government guarantee, are continuing to do so now that the guarantee no longer holds. Four per cent were undecided as to whether or not to continue.

### Insurance Inklings

J. L. ROBERTSON, formerly British Columbia manager of the Queensland Insurance Co. has been appointed chief Canadian agent.

R. L. YOUNG has been appointed Ontario inspector for the automobile department of the Caledonian Insurance Co.

## Banking

# Banks' Current Loans Well Above Last Year

Midsummer loan business of the chartered banks is being well maintained, according to the composite statement of the banks to the minister of finance. Current loans in Canada amounted to $728.3 millions at the end of June, compared with $727.9 millions in the previous month. Although this increase is relatively small compared with those of preceding months this year, it appears very large indeed when measured against the $42.3 millions decline in June of 1936. Comparative figures indicate that current loans are more than $70 millions above a year ago.

Substantial changes are shown in deposit totals, current balances increasing almost $14 millions, while savings are $4 millions lower.

Comparative figures of the more important items in the statement are as follows:

| | June, 30 1937 | May 31, 1937 | June 30, 1936 |
|---|---|---|---|
| | $ | $ | $ |
| Reserve funds | 132,750,000 | 133,750,000 | 132,750,000 |
| Note circulation | 112,992,378 | 110,177,504 | 123,245,784 |
| Demand deposits | 713,177,394 | 699,566,400 | 621,702,828 |
| Notice deposits | 1,569,815,485 | 1,573,466,165 | 1,504,792,542 |
| Deposits outside Canada | 425,279,262 | 420,124,173 | 389,256,139 |
| Bank of Canada notes | 43,418,059 | 43,685,170 | 34,934,408 |
| Deposits with Bank of Canada | 189,835,653 | 190,604,549 | 189,463,016 |
| Government and other securities | 1,441,959,495 | 1,437,986,140 | 1,368,157,725 |
| Call loans in Canada | 116,126,876 | 116,950,529 | 90,917,719 |
| Call loans elsewhere | 70,484,846 | 76,979,435 | 64,422,009 |
| Current loans in Canada | 728,290,407 | 727,880,132 | 657,429,289 |
| Current loans elsewhere | 158,661,756 | 160,544,766 | 150,026,473 |
| Total liabilities | 3,346,516,419 | 3,323,925,645 | 3,124,412,050 |
| Total assets | 3,358,508,958 | 3,334,228,395 | 3,134,974,694 |

### New Branches Opened By Chartered Banks

Canadian chartered banks announced the opening of three offices and closing of two during June, bringing the total number of branches to 3,517, of which 3,372 are in Canada.

Branches opened were by the Commerce at Leaside, Ont., the Nationale at St. Martin de Beauce, Que., and the Nova Scotia at 2956 Bloor St. W., Toronto. The sub branch of the Montreal at Breslau, Ont., and the Royal branch at Loverna, Sask., were discontinued.

### Weekly Bank Clearings

| | July 29 1937 | Change Year Ago | July 22 1937 |
|---|---|---|---|
| | $ | % | $ |
| Halifax | 2,401,482 | +12.4 | 2,714,044 |
| Saint John | 1,995,442 | +35.4 | 2,064,015 |
| Moncton | 753,538 | +30.5 | 856,296 |
| Sherbrooke | 637,543 | +35.2 | 768,107 |
| Quebec | 4,318,382 | +24.3 | 4,839,403 |
| Montreal | 92,905,384 | + 9.7 | 101,436,099 |
| Ottawa | 13,654,699 | + 9.3 | 15,224,033 |
| Kingston | 557,881 | +15.4 | 605,834 |
| Peterborough | 545,905 | + 2.4 | 648,628 |
| Toronto | 97,163,830 | — 1.9 | 109,670,902 |
| Hamilton | 4,723,991 | +19.4 | 5,391,255 |
| Kitchener | 976,809 | + 4.9 | 1,135,854 |
| London | 2,201,194 | + 2.9 | 2,723,646 |
| Windsor | 2,709,589 | +45.5 | 3,250,652 |
| Sarnia | 405,809 | + 4.8 | 538,545 |
| Sudbury | 1,014,094 | + 1.6 | 917,151 |
| Brantford | 841,809 | +21.6 | 897,179 |
| Fort William | 692,600 | — 4.2 | 718,041 |
| Winnipeg | 33,820,285 | —34.3 | 37,690,125 |
| Brandon | 233,788 | —25.5 | 308,034 |
| Regina | 2,966,311 | +18.3 | 2,933,950 |
| Moose Jaw | 530,461 | +30.4 | 626,126 |
| Saskatoon | 1,225,836 | — 3.3 | 1,310,444 |
| Prince Albert | 301,023 | — 3.6 | 369,837 |
| Edmonton | 3,341,807 | +12.2 | 3,948,474 |
| Calgary | 4,707,465 | — 7.6 | 6,282,782 |
| Medicine Hat | 222,720 | +27.0 | 311,748 |
| Lethbridge | 439,490 | + 3.9 | 467,162 |
| N. W'minster | 643,433 | — 8.9 | 656,615 |
| Vancouver | 17,238,692 | — 9.6 | 18,303,001 |
| Victoria | 1,647,319 | + 0.6 | 1,945,851 |

### Monthly Bank Clearings

| | July, 1936 | July, 1937 |
|---|---|---|
| Halifax | $ 11,077,272 | $ 12,131,866 |
| Saint John | 7,619,457 | 8,931,471 |
| Moncton | 3,067,399 | 3,589,160 |
| Sherbrooke | 2,612,224 | 3,176,660 |
| Quebec | 18,804,708 | 22,686,267 |
| Montreal | 423,595,619 | 483,669,377 |
| Toronto | 490,739,303 | 495,652,340 |
| Ottawa | 81,700,153 | 79,054,707 |
| Hamilton | 19,919,088 | 25,887,248 |
| Brantford | 4,199,865 | 4,432,668 |
| London | 12,503,709 | 12,115,198 |
| Windsor | 11,152,760 | 13,152,420 |
| Sarnia | 2,102,874 | 2,100,759 |
| Sudbury | 3,999,279 | 4,328,351 |
| Fort William | 3,342,722 | 3,416,497 |
| Winnipeg | 282,777,757 | 165,010,015 |
| Brandon | 1,496,455 | 1,416,561 |
| Regina | 13,697,733 | 15,305,954 |
| Moose Jaw | 2,373,251 | 2,662,327 |
| Saskatoon | 6,241,580 | 5,840,217 |
| Prince Albert | 1,524,339 | 1,548,467 |
| Edmonton | 16,280,992 | 16,987,821 |
| Calgary | 25,399,562 | 23,494,271 |
| Medicine Hat | 1,099,653 | 1,107,698 |
| Lethbridge | 1,943,280 | 1,938,853 |
| New Westminster | 2,864,513 | 3,133,070 |
| Vancouver | 83,788,267 | 80,490,183 |
| Victoria | 7,873,003 | 8,137,226 |

### Railway Earnings

**Canadian National Railways**

| | 1937 | 1936 | Incr. |
|---|---|---|---|
| June— | $ | $ | $ |
| Oper. rev. | 16,091,901 | 14,739,765 | 1,352,136 |
| Oper. exps. | 15,656,713 | 14,730,323 | 926,390 |
| Net rev. | 435,188 | 9,442 | 425,746 |
| Aggregate to June 30— | | | |
| Oper. rev. | 94,996,314 | 85,461,428 | 9,534,886 |
| Oper. exps. | 88,328,366 | 82,986,388 | 5,341,978 |
| Net rev. | 6,667,948 | 2,475,040 | 4,192,908 |

**Canadian Pacific Railway**

| | 1937 | 1936 | Incr. |
|---|---|---|---|
| June— | $ | $ | $ |
| Gross earns. | 11,418,963 | 10,957,610 | 461,352 |
| Work. exps. | 10,223,852 | 9,782,060 | 441,791 |
| Net earnings | 1,195,111 | 1,175,549 | 19,561 |
| Six Months— | | | |
| Gross earns. | 66,790,261 | 62,044,346 | 4,745,915 |
| Work. exps. | 58,530,107 | 55,253,346 | 3,276,761 |
| Net earnings | 8,260,153 | 6,790,999 | 1,459,153 |

### Public Utility Earnings

**Jamaica Public Service**

| June: | 1937 | 1936 |
|---|---|---|
| | $ | $ |
| Gross earnings | 70,335 | 8,400 |
| Net earnings | 27,619 | 25,855 |
| Surplus after charges | 18,751 | 17,221 |
| 12 Mos. end. June 30: | | |
| Gross earnings | 887,328 | 871,638 |
| Net earnings | 358,470 | 351,318 |
| Surplus after charges | 256,630 | 247,377 |

The above figures translated from £ sterling at the rate of $4.86⅔ to the £.

**East Kootenay Power Co.**

| June: | 1937 | 1936 |
|---|---|---|
| | $ | $ |
| Gross earnings | 45,491 | 38,662 |
| Operating expenses | 13,018 | 11,680 |
| Net earnings | 32,473 | 26,982 |
| 3 Mos. end. June 30: | | |
| Gross earnings | 135,807 | 109,552 |
| Operating expenses | 41,298 | 35,347 |
| Net earnings | 94,509 | 74,205 |

To TIMAGAMI LAKES
Summer Train Service from TORONTO
(In effect June 26th)
11.15 p.m. Daily; steamer connections at Timagami Wharf.
6.15 p.m.—Ex. Saturday "The Northland". Fast and convenient train to T. & N. O. Ry. points.
Returning — Trains arrive Toronto 7.15 a.m. daily and 8.20 a.m. except Sunday.
Eastern Standard Time.
Full particulars from any Agent.
CANADIAN NATIONAL

### Empire Relations Parley in 1938

#### Unofficial Parliament Picks Sydney, Australia, for Second Meeting

The National Council of the Canadian Institute of International Affairs announces that the second unofficial British Commonwealth Relations Conference will be held in Sydney, Australia, in September, 1938. The first conference was held at the University of Toronto in September, 1933.

Viscount Samuel is chairman of the agenda committee. E. J. Tarr, K.C., president of the Monarch Life Assurance Company of Winnipeg, represented the Canadian Institute.

The conference of 1938 will discuss individual interests of the several nations of the Commonwealth. It will pay particular attention to the question of how far these national interests are served by membership in the Commonwealth. External policies of the British nations in their economic, political and strategic aspects will be considered in an attempt to solve the problem of how "to attain the maximum of mutually advantageous co-operation among a number of autonomous and equal nations."

At its concluding sessions, the Conference will discuss the following question: "Does there emerge from the discussions any fresh conception of the Commonwealth arising from a reassessment of the historical and constitutional factors in the light of the present interests and national composition of the individual countries forming the Commonwealth?"

### *Bank of Canada Weekly Statement*

**Balance Sheet**

| | July 28 1937 | July 21 1937 |
|---|---|---|
| **Liabilities** | $ | $ |
| Capital paid-up | 10,100,000 | 10,100,000 |
| Notes in circ. | 137,396,750 | 136,721,934 |
| Rest fund | 743,715 | 743,716 |
| Depos.: Dominion | 14,202,012 | 12,537,664 |
| Banks | 181,404,941 | 181,324,864 |
| Other | 647,341 | 652,678 |
| Total deposits | 196,254,296 | 194,515,206 |
| All other liabs. | 1,782,046 | 1,732,284 |
| Total liabs. | 346,276,807 | 343,813,140 |
| **Assets** | | |
| Reserve: Gold | 179,547,117 | 181,442,905 |
| Silver bullion | 2,513,777 | 2,513,777 |
| Res. in sterling and U. S. | 19,961,111 | 16,639,007 |
| Other curr. | 1,168 | 1,168 |
| Total reserve | 202,023,173 | 200,596,857 |
| Subsidiary coin | 182,703 | 180,078 |
| Investments: | | |
| Dom. govt. short | 35,116,380 | 34,098,574 |
| Other Dom. govt. | 95,004,495 | 95,380,398 |
| Other secs. | 9,996,928 | 10,007,225 |
| Total invest. | 140,117,803 | 139,486,197 |
| Premises | 584,375 | 583,452 |
| All other assets | 3,368,753 | 2,966,556 |
| Total assets | 346,276,807 | 343,813,140 |
| Reserve ratio | 60.54% | 60.55% |

### Ship Construction Risk Set at £4.5 Millions

Insurance against construction risks on the "No. 552," sister ship of the Queen Mary which is now being built amounts to £4.5 millions, Oliver Stanley, president of the Board of Trade, told the British House of Commons recently.

Of the total amount, almost £3.8 millions was placed with insurance companies, and the remainder was taken up by the Board of Trade. The Board took this portion in accordance with provisions of the Cunard Insurance Agreement Act of 1930, whereby it agreed to assume the proportion of the risk which could not be placed in the open market. Mr. Stanley explained that in order not to compete with the insurance companies the government charges a slightly higher rate of premium than is charged in the open market.

THE MONARCH LIFE ASSURANCE COMPANY
Established — 1906
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The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

# STOCK AND BOND MARKET QUOTATIONS

## Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given; for unlisted stocks, quotations of unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 3

| Range 1937 High | Low | Div. $ | July 30 Yld % | Company | Sales | Last July 29 | Week end. Aug. 3 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | A–R [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | | | | **S** | | | | | |
| 103½ | 96½ | 5.50 | 5.3 | Saguenay Pr. p. | 5 | 103 | 103 | 103 | 103 |
| 22 | 13 | . | ... | Sarnia Br. (A) | 60 | 15 | 16 | 16 | 16 |
| 16 | 7 | . | ... | Do. (B) | 120 | 8 | 7½ | 7½ | 7½ |
| 34 | 25½ | 80c | 2.7 | Shawinigan Pr. | 2332 | 28½ | 29½ | 28 | 29½ |
| 30 | 23 | . | ... | Sher. Wms. | 65 | 24 | 24½ | 23 | 23 |
| 131 | 115 | 7 | 6.1 | Do. pref. | .... | (115 bid 127 asked) | | | |
| 16 | 13½ | | ... | Simon & Son | 50 | 14½ | 14 | 14 | 14 |
| 110 | 100 | 10.50 | ... | Do. pref. | .... | (— bid 110 asked) | | | |
| 110 | 95 | 5 | 5.1 | Simpson, pf. | 25 | 100 | 98 | 98 | 98 |
| [illegible] | [illegible] | [illegible] | [illegible] | S–Z [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

* On account of arrears. ‡ New York quotations. † 1936. [illegible] Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

## Mining Stock Quotations

WEEK ENDED AUG. 3, 1937

| Par Val. | Range 1937 High | Low | Company | Sales | Close July 26 (or last) | High for week | Low for week | Close Aug. 2 |
|---|---|---|---|---|---|---|---|---|
| 1 | .10½ | .03 | Afton | 2,700 | .04 | .04 | .03½ | .04 |
| No | 1.00 | .75 | Aldermac | 11,980 | 1.10 | 1.10 | 1.05 | 1.05 |
| 1 | .04½ | .01 | Alexandria | 13,000 | .02 | .02½ | .01½ | .02 |
| No | 8.75 | 5.00 | Anglo-Huronian | 1,010 | 5.65 | 5.65 | 5.70 | 5.70 |
| 1 | 1.42 | .36 | Argosy | 5,388 | .40 | .42 | .40 | .40 |
| 1 | 1.43 | .33 | Arntfield | 3,400 | .33 | .38 | .35 | .36 |
| No | .09 | .02½ | Arno | ...... | (.03 bid .03½ asked) | | | |
| 1 | .15 | .07½ | Ashley | 808 | .08 | .08 | .07½ | .08 |
| 1 | .07 | .06 | Astoria Rouyn | 91,300 | .06½ | .06½ | .06 | .06½ |
| 50c | .16 | .07 | Aztec | 500 | .08 | .08 | .08 | .08 |
| 1 | .60 | .19 | Bagamac | 13,437 | .24½ | .29½ | .24 | .25½ |
| 1 | 1.03 | .64 | Bankfield | 2,321 | .81 | .81 | .70 | .70 |
| 1 | .63 | .24 | Base Metals | 10,000 | .30 | .30 | .29½ | .29 |
| No | 1.75 | 1.00 | Beattie Gold | 3,330 | 1.14 | 1.14 | 1.11 | 1.15 |
| 1 | .63 | .30 | Beaulor | 200 | .32 | .30 | .30 | .30 |
| 1 | 1.70 | .38 | Bidgood Kirk. | 11,300 | .40 | .48 | .44 | .49 |
| 1 | .73 | .40 | Big Missouri | 2,392 | .48 | .50 | .48 | .49 |
| 1 | .29 | .12 | Bobjo | 6,800 | .15 | .16½ | .15 | .16½ |
| 1 | 1.14 | .10 | Bouscadillac G.M. | 11,100 | .20 | .23 | .20 | .23 |
| No | 9.00 | 6.40 | Bralorne | ...... | (7.25 bid 7.40 asked) | | | |
| 1 | .15 | .06 | Brazil Gold | ...... | (.06 bid .08 asked) | | | |
| 1 | .21 | .07 | Brett Trethewey | 3,500 | .08 | .07½ | .07½ | .07½ |
| 1 | .13 | .03 | Brownlee | 700 | .04½ | .04 | .04 | .04 |
| 1 | 12.50 | 8.25 | Buffalo Ankerite | 420 | 9.20 | 9.25 | 9.20 | 9.20 |
| No | .06½ | .02 | Buffalo Can. | 5,000 | .03½ | .03 | .02½ | .03 |
| 5 | 30.00 | 23.50 | Bulolo Gold | 505 | 26.00 | 26.00 | 25.00 | 25.00 |
| No | .23 | .10 | Bunker Hill | 27,240 | .16 | .18 | .16 | .16 |
| No | 2.30 | .87 | Can. Malartic | 7,915 | 1.20 | 1.20 | 1.14 | 1.19 |
| 1 | 1.75 | 1.41 | Cariboo Gold | 100 | 1.50 | 1.50 | 1.50 | 1.50 |
| 1 | .47½ | .14 | Cartier Malartic | 8,200 | .16 | .16 | .14 | .15 |
| 1 | 1.66 | .91 | Castle Trethewey | 1,833 | .99 | 1.05 | .99½ | 1.05 |
| 1 | .65 | .25 | Cent. Cadillac | 3,500 | .30 | .30 | .29 | .29 |
| 1 | .31 | .05 | Cen. Manitoba | 3,700 | .05 | .05½ | .05½ | .05½ |
| 1 | 5.25 | 2.10 | Cen. Patricia | 4,495 | 2.80 | 2.85 | 2.70 | 2.75 |
| 1 | .43 | .09 | Cen. Porcupine | 2,700 | .14½ | .12½ | .12 | .12 |
| No | 1.47 | .60 | Chromium | 9,250 | .75 | .78 | .72 | .78 |
| 5 | 10.00 | 3.00 | Coast Copper | 100 | 4.25 | 4.00 | 4.00 | 4.00 |
| 1 | .03½ | .01 | Cobalt Contact | ...... | (.01 bid .01½ asked) | | | |
| 5 | 3.50 | 2.00 | Coniagas | ...... | (2.35 bid 2.40 asked) | | | |
| No | 2.14 | 1.00 | Coniaurum | 808 | 1.31 | 1.40 | 1.32 | 1.40 |
| 1 | 2.70 | .75 | Con. Chibougamau | 12,305 | 1.00 | .92 | .75 | .85 |
| 25 | 100.50 | 72.00 | Cons. Smelters | 3,632 | 80.50 | 81.50 | 80.00 | 81.00 |
| 1 | 2.98 | .31 | Darkwater | 16,700 | .45 | .52 | .45 | .52 |
| No | 51.12 | 38.25 | Dome Mines | 1,121 | 39.75 | 40.25 | 39.50 | 39.50 |
| 1 | .15 | .04 | Dom. Explorers | 5,000 | .05½ | .05 | .05 | .05 |
| 1 | 1.22 | .40 | Dorval Siscoe | 7,550 | .45 | .45 | .40 | .40 |
| 1 | .15 | .05½ | Duparquet | 17,800 | .07½ | .07 | .06 | .07 |
| 1 | 2.05 | .65 | East Malartic | 14,150 | 1.00 | 1.02 | .95 | 1.02 |
| 1 | 3.65 | 2.10 | Eldorado | 7,970 | 2.80 | 2.85 | 2.60 | 2.75 |
| No | 12.37 | 7.00 | Falconbridge | 1,130 | 8.00 | 8.25 | 7.80 | 7.85 |
| 1 | .54 | .07 | Federal | 15,800 | .09½ | .10 | .08 | .09 |
| No | 1.59 | .50 | Francoeur Gold | 5,850 | .70 | .73 | .65 | .68 |
| 1 | .30 | .03½ | Glenora | 66,025 | .08 | .08 | .03½ | .03½ |
| 1 | .65 | .28 | Gillies Lake | 17,700 | .32 | .32 | .28 | .28½ |
| No | 1.02 | .40 | God's Lake | 18,125 | .65 | .67 | .62 | .63 |
| 1 | .30 | .06 | Golconda | ...... | (.06½ bid .07 asked) | | | |
| 1 | .40 | .18 | Goldale | 3,400 | .23 | .25 | .24 | .24 |
| 50c | .39 | .12 | Gold Belt | ...... | (.20 bid .25 asked) | | | |
| 1 | .68 | .30 | Gold Eagle | 1,400 | .38 | .36 | .33 | .36 |
| 1 | .22 | .07½ | Goodfish | 63,900 | .14 | .14½ | .12½ | .13 |
| 1 | .63 | .09 | Graham Bosquet | 2,300 | .10½ | .11 | .10 | .11 |
| 1 | .57 | .15 | Granada Gold | 2,400 | .22 | .25 | .20 | .20 |
| No | .18 | .06½ | Grandora | 2,500 | .07 | .07 | .06½ | .07 |
| 1 | .18 | .10 | Grull Wihksne | ...... | (.10 July 20) | | | |
| 1 | 1.25 | .55 | Gunnar Gold | 5,250 | .75 | .80 | .74 | .75 |
| 1 | .07 | .02 | Halcrow Swayze | ...... | (.02½ bid .03½ asked) | | | |
| 1 | 3.44 | 1.00 | Hard Rock | 5,450 | 1.40 | 1.40 | 1.25 | 1.25 |
| 1 | .35 | .12½ | Harker | 5,800 | .14 | .14 | .13 | .13 |
| 5 | 15.50 | 10.75 | Hollinger | 2,113 | 11.25 | 11.75 | 11.50 | 11.50 |
| 1 | .72 | .30 | Howey Gold | 8,100 | .35 | .37 | .33 | .33½ |
| No | 41.75 | 25.63 | Hudson Bay | 1,548 | 32.00 | 32.00 | 31.00 | 31.50 |
| 1 | 19.25 | 11.12 | Inter. Mining | ...... | (11.12 June 30) | | | |
| No | 73.25 | 54.00 | Int. Nickel | 10,327 | 64.63 | 66.50 | 64.25 | 66.00 |
| 1 | .54 | .25 | Jacola | 5,732 | .31 | .33 | .30 | .33 |
| 1 | 1.61 | .50 | Jack Waite | 1,600 | .68 | .70 | .68 | .70 |
| 1 | 2.15 | .70 | Jellicoe | 26,041 | 1.05 | 1.15 | 1.05 | 1.14 |
| 1 | .59 | .17 | J.M. Cons. Gold | 6,475 | .21 | .22 | .20½ | .20½ |
| 1 | 3.30 | 1.99 | Kerr Addison | 25,774 | 2.72 | 2.73 | 2.48 | 2.51 |
| 1 | .65 | .35 | Kerr Lake | 125 | .35 | .37½ | .35 | .35 |
| 1 | .55 | .20 | Kirk Gold Rand | 900 | .30 | .33 | .33 | .33 |
| 1 | 2.65 | 1.35 | Kirk. Hud. Bay | 1,700 | 1.70 | 1.65 | 1.60 | 1.65 |
| 1 | 1.70 | .90 | Kirkland Lake | 15,585 | 1.33 | 1.33 | 1.28 | 1.33 |
| 1 | .55 | .19 | Kirk. Townsite | 500 | .20 | .22 | .22 | .22 |
| 1 | 1.10 | .40 | Laguna | 100 | .46 | .49 | .49 | .49 |
| 1 | 59.50 | 46.50 | Lake Shore | 2,571 | 50.50 | 51.00 | 50.00 | 50.00 |
| 1 | .28 | .04 | Lamaque Contact | 13,900 | .04 | .05 | .04½ | .04½ |
| 1 | 1.33 | .58 | Lapa Cadillac | 12,380 | .59 | .65 | .59 | .63 |
| 1 | 1.30 | .73 | Lava Cap | 10,050 | 1.15 | 1.23 | 1.15 | 1.20 |
| 1 | .30 | .11½ | Lebel Oro | 27,084 | .20½ | .20½ | .19 | .20½ |
| 1 | .07½ | .02½ | Lee Gold | 1,500 | .03½ | .03 | .02½ | .02½ |
| 1 | 1.35 | .45 | Leitch Gold | 8,850 | .71 | .72 | .65 | .65 |
| No | 8.40 | 4.85 | Little Long Lac | 505 | 5.50 | 5.75 | 5.50 | 5.70 |
| 1 | 8.60 | 4.15 | Macassa | 7,220 | 5.50 | 5.50 | 5.30 | 5.35 |
| 1 | 1.26 | .55 | Madsen Red Lake | 8,100 | .80 | .78 | .75 | .76 |
| 1 | .04½ | .01½ | Malrobic | 4,600 | .01½ | .03 | .01½ | .03 |
| No | .69 | .20 | Mandy | 200 | .30 | .26 | .26 | .26 |
| No | .16 | .02 | Man. & Eastern | 3,000 | .03½ | .04½ | .03½ | .03½ |
| 1 | .36 | .11 | Manalgo | 6,775 | .15 | .14½ | .13 | .14 |
| 5 | 42.25 | 32.75 | McIntyre | 1,193 | 36.00 | 36.25 | 34.50 | 34.50 |
| 1 | 2.03 | 1.00 | McKenzie R.L. | 3,400 | 1.20 | 1.21 | 1.18 | 1.20 |
| 1 | .65 | .50 | McKinley | ...... | (.60 bid ... asked) | | | |
| No | 4.85 | 1.65 | McLeod Cockshutt | 6,470 | 1.99 | 2.00 | 1.90 | 1.90 |
| No | 1.21 | .35 | McWatters | 5,900 | .42 | .45 | .42 | .45 |
| 1 | .57 | .17 | McVittie | 64,025 | .35 | .37 | .28 | .29½ |
| 5 | 2.00 | 1.50 | Mentor Exp. & Dev. | ..... | (.50 bid 2.00 asked) | | | |
| No | 5.00 | 2.70 | Mining Corp. | 1,619 | 3.50 | 3.50 | 3.25 | 3.35 |
| No | .33½ | .10 | Minto Mines | 6,000 | .12 | .12 | .11 | .11 |
| 1 | .08 | .02 | Moffatt Hall | ...... | (... bid .03 asked) | | | |
| 1 | .88 | .20 | Morris Kirk | 7,700 | .26 | .33 | .26 | .30 |
| 1 | 1.97 | .95 | Moneta | 11,450 | 1.75 | 1.75 | 1.66 | 1.70 |
| 1 | .45 | .14 | Montague | ...... | (... bid .18 asked) | | | |
| 1 | .10 | .02½ | Murphy | 10,000 | .03 | .03 | .02½ | .02½ |
| 1 | 1.05 | .30 | Naybob | 4,200 | .41 | .40 | .37 | .38 |
| No | .12 | .01½ | Newbec | 2,000 | .01½ | .03½ | .03½ | .03½ |
| 1 | 1.49 | .45 | New Golden Rose | 11,400 | .71 | .72 | .67 | .72 |
| 1 | .05 | .01½ | Night Hawk Penn. | 1,500 | .01½ | .01½ | .01½ | .01½ |
| 5 | 3.60 | 2.30 | Nipissing | 1,850 | 2.45 | 2.45 | 2.30 | 2.35 |
| No | 83.00 | 54.50 | Noranda | 5,182 | 65.00 | 65.00 | 63.50 | 64.50 |
| No | .95 | .64 | Nor. Canada | 3,000 | .72 | .72 | .72 | .72 |
| 1 | .16½ | .05 | Norgold | 1,300 | .05½ | .05 | .05 | .05 |
| 1 | 2.23 | 1.20 | Normetal Mining | 5,065 | 1.92 | 1.93 | 1.86 | 1.90 |
| 1 | 13.25 | 5.50 | O'Brien | 13,965 | 6.40 | 6.35 | 6.00 | 6.25 |
| 1 | 1.28 | .40 | Omega | 12,782 | .49 | .50 | .46 | .48 |
| 1 | 2.20 | .85 | Oro Plata | 28,100 | 1.06 | 1.29 | 1.00 | 1.28 |
| 1 | .50 | .10 | Osisko | ...... | (.12 bid .16 asked) | | | |
| 1 | 1.10 | .30 | Pandora | 5,800 | .50 | .55 | .47 | .53 |
| No | 4.05 | 1.90 | Pamour | 6,634 | 2.60 | 2.70 | 2.50 | 2.60 |
| 1 | .43 | .16 | Parkhill | 6,123 | .20 | .20 | .18 | .20 |
| 1 | 3.80 | 1.90 | Pato Cons. G. | 720 | 2.15 | 2.25 | 2.05 | 2.25 |
| 1 | .41 | .12 | Partanen Gold | 8,800 | .14½ | .14½ | .13 | .14 |
| 1 | .06 | .01½ | Pawnee Kirk | ...... | (.02 bid .02½ asked) | | | |
| 1 | .40 | .12 | Paulore | 1,300 | .16 | .16½ | .15 | .16 |
| 1 | 1.38 | .49 | Paymaster | 13,425 | .59 | .60 | .57 | .57 |
| 1 | .36 | .22 | Payore | 3,700 | .32 | .34 | .30 | .30½ |
| 1 | 6.75 | 2.55 | Pend Oreille | 6,015 | 3.60 | 3.90 | 3.50 | 3.90 |
| 1 | 2.51 | .70 | Perron Gold | 3,340 | 1.07 | 1.08 | .95 | 1.00 |
| 1 | .08½ | .01½ | Peterson Cobalt | ...... | (.01½ bid .01½ asked) | | | |
| 1 | 9.20 | 4.90 | Pickle Crow | 5,900 | 5.70 | 5.70 | 5.50 | 5.55 |
| 1 | 6.85 | 3.65 | Pioneer Gold B.C. | 975 | 3.80 | 3.80 | 3.70 | 3.75 |
| 1 | 17.00 | 15.00 | Placer Development | ...... | (.16½ bid .18 asked) | | | |
| 1 | .11 | .03½ | Porcupine Crown | 1,000 | .03½ | .04 | .03½ | .03½ |
| 1 | 2.20 | .75 | Powell Rouyn | 16,300 | 1.43 | 1.51 | 1.31 | 1.49 |
| 1 | 4.80 | 1.95 | Premier Gold | 1,100 | 2.45 | 2.50 | 2.40 | 2.45 |
| 1 | 1.47 | .55 | Preston E. Dome | 18,250 | 1.01 | 1.01 | .97 | 1.00 |
| No | 1.55 | 1.10 | Prospectors Air's | 2,300 | 1.45 | 1.45 | 1.40 | 1.40 |
| 1 | .88 | .30 | Quebec Gold | ...... | (.35 bid ... asked) | | | |
| No | .48 | .07 | Quemont | 309 | .08½ | .13 | .07 | .13 |
| 1 | 6.85 | 2.80 | Read Authier | 2,300 | 4.00 | 4.00 | 3.75 | 3.90 |
| 1 | 1.78 | .29 | Red Lake | 37,797 | .37 | .37 | .31 | .32 |
| 1 | 2.00 | .40 | Red Crest | 2,350 | .66 | .60 | .60 | .60 |
| 1 | 1.35 | .72 | Reno Gold | 2,100 | .87 | .90 | .88 | .89 |
| No | 1.52 | .70 | Reeves McDonald | 200 | .72½ | .70 | .70 | .70 |
| 1 | .22 | .07½ | Reward | 11,750 | .08½ | .09 | .08 | .09 |
| 1 | .16 | .04 | Ritchie | 2,600 | .04½ | .04½ | .04½ | .04½ |
| 1 | .12½ | .02½ | Robb Montbray | 46,600 | .03 | .03 | .02½ | .03 |
| 1 | .48½ | .09 | Roche Long Lac | 6,600 | .14 | .15 | .13 | .13 |
| 1 | 2.40 | 1.25 | San Antonio | 11,193 | 1.73 | 1.73 | 1.50 | 1.53 |
| 1 | 1.13 | .35 | Shawkey | 13,800 | .55 | .58 | .50 | .51 |
| 50c | .83 | .57 | Sheep Creek | 4,300 | .80 | .80 | .75 | .76 |
| 1 | 4.00 | 1.80 | Sherritt Gordon | 11,181 | 2.76 | 2.84 | 2.70 | 2.75 |
| 1 | 6.65 | 3.05 | Siscoe | 3,310 | 3.70 | 3.80 | 3.65 | 3.70 |
| 1 | 2.50 | .76 | Sladen Malartic | 3,890 | 1.00 | 1.00 | .90 | .95 |
| 1 | 2.50 | .50 | Slave Lake | 4,500 | .65 | .68 | .60½ | .60½ |
| No | 2.90 | .90 | Stadacona | 54,620 | 1.25 | 1.27 | 1.12 | 1.22 |
| 1 | .32 | .12 | St. Anthony | 25,000 | .15 | .19½ | .15½ | .18 |
| No | 6.90 | 3.00 | Sudbury Basin | 2,140 | 4.25 | 4.35 | 4.00 | 4.25 |
| 1 | .40½ | .15 | Sudbury Contact | 400 | .19 | .21 | .19 | .21 |
| 1 | 2.25 | 1.00 | Sullivan Cons. | 4,200 | 1.28 | 1.33 | 1.22 | 1.30 |
| 1 | 4.80 | 2.70 | Sylvanite | 2,835 | 3.10 | 3.20 | 3.05 | 3.15 |
| 1 | .29 | .06 | Tashota | 5,201 | .07 | .07 | .06½ | .06½ |
| 1 | 6.10 | 4.55 | Teck Hughes | 3,441 | 4.95 | 5.00 | 4.90 | 4.95 |
| 1 | 2.15 | .47 | Thomp Cadillac | 47,780 | .56 | .63 | .55 | .55 |
| 1 | .65 | .20 | Temiskaming | 20,800 | .35 | .37 | .33½ | .36 |
| 1 | 4.60 | 1.85 | Toburn Gold | 125 | 2.50 | 2.40 | 2.40 | 2.40 |
| 1 | 2.00 | .73 | Towagmac | 360 | 1.10 | 1.10 | .90 | 1.10 |
| 1 | 2.60 | .40 | Treadwell | 600 | .50 | .45 | .45 | .45 |
| 1 | .87 | .50 | Uchi Gold | 1,600 | .83 | .85 | .80 | .85 |
| No | 9.10 | 6.00 | Ventures | 838 | 7.75 | 8.00 | 7.50 | 8.00 |
| No | 4.65 | 2.10 | Waite Amulet | 6,121 | 3.25 | 3.40 | 3.10 | 3.35 |
| No | .05 | .02 | White Eagle | ...... | (.01½ bid .02½ asked) | | | |
| ... | .30 | .10 | Whitewater | 4,500 | .14 | .14 | .14 | .14 |
| 1 | .17 | .08½ | Wiltsey Coughlan | 500 | .04½ | .04 | .04 | .04 |
| 1 | .77 | .30 | Wood Cadillac | 13,350 | .37 | .37 | .35 | .35 |
| No | 8.20 | 5.85 | Wright-Hargreaves | 4,745 | 6.50 | 6.65 | 6.40 | 6.50 |
| No | .53 | .30 | Ymir Girl | ...... | (.20 bid .24 asked) | | | |

### OIL STOCKS

| Par Val. | Range 1937 High | Low | Company | Sales | Close July 26 (or last) | High for week | Low for week | Close Aug. 2 |
|---|---|---|---|---|---|---|---|---|
| No | .22 | .10 | Acme Gas & Oil | 8,725 | .12½ | .14½ | .13½ | .14½ |
| 1 | .95 | .29 | Alta. Pac. Cons. | 1,500 | .40 | .37 | .36 | .37 |
| 1 | .57 | .25 | Ajax | 2,400 | .30 | .40 | .40 | .40 |
| 1 | 1.10 | .20 | British Dominion | 1,500 | .32 | .30 | .28 | .28 |
| No | .65 | .45 | Brown Oil | 5,010 | .52 | .50 | .45 | .48 |
| No | 6.55 | 2.00 | Calgary & Ed. | 21,723 | 3.00 | 3.05 | 2.45 | 2.80 |
| 1 | 1.75 | .40 | Calmont | 9,950 | .72 | .73 | .68 | .73 |
| No | .95 | .24 | Common Pete. | 1,900 | .40 | .35 | .32 | .35 |
| No | 3.60 | .55 | Dalhousie | 4,985 | .95 | .95 | .87 | .91 |
| No | .75 | .10 | Eastcrest | 3,700 | .15½ | .15 | .14 | .14 |
| 25c | .25½ | .24 | Firestone Pete. | 4,000 | .25½ | .25 | .24 | .24 |
| No | 3.35 | .90 | Foothills | 2,040 | 1.17 | 1.20 | 1.03 | 1.10 |
| No | 1.20 | .20½ | Foundation Pete. | 9,400 | .37 | .37 | .30 | .32 |
| No | .39 | .16 | Hargal | ...... | (... bid .27 asked) | | | |
| No | .90 | .15 | High Sarcee | 3,600 | .23 | .21 | .19½ | .19½ |
| No | 4.10 | 1.35 | Home | 24,255 | 2.10 | 2.20 | 1.85 | 2.08 |
| 1 | .87 | .31 | Homestead O.&G. | 11,700 | .46 | .46 | .44½ | .45½ |
| No | .70 | .50 | Hunter Valley | ...... | (.35 bid .50 asked) | | | |
| No | .16 | .15 | Do. warrants | ...... | (.05 bid .15 asked) | | | |
| No | .90 | .20 | Lowery | ...... | (.23 bid .27 asked) | | | |
| No | .63 | .25 | Mercury | 4,900 | .34 | .33 | .28 | .31 |
| No | .44 | .18 | McD. Segur Ex. | 2,600 | .31 | .30 | .27 | .29½ |
| No | .39 | .10 | Merland | 1,700 | .10 | .12 | .10 | .11½ |
| 1 | 1.15 | .38 | Model | 300 | .45 | .50 | .45 | .45 |
| 25c | .56 | .40 | Monarch Royalties | 64,050 | .47 | .50 | .44 | .49 |
| 5 | .49 | .15 | Nordon | 40,150 | .16 | .22 | .17 | .21½ |
| No | .12 | .04 | Oil Selections | 6,000 | .05½ | .05½ | .05½ | .05½ |
| No | 4.10 | 1.05 | Okalta | 19,700 | 2.22 | 2.20 | 1.81 | 2.00 |
| No | .12 | .03 | Olga Gas & Oil | 1,000 | .03½ | .03 | .03 | .03 |
| 1 | .43½ | .10 | Pacalta | 40,800 | .21 | .23 | .19 | .20½ |
| 1 | .70 | .60 | Petrol Oil & Gas. | ...... | (.60 bid .65 asked) | | | |
| 25c | .30 | .25 | Prairie Royalties. | 5,600 | .30 | .29 | .25 | .27 |
| No | 60.00 | 34.50 | Royalite | 966 | 50.00 | 50.50 | 46.50 | 48.00 |
| No | 2.00 | .50 | South West Pete. | 160 | .75 | .70 | .65 | .65 |
| No | .18 | .15 | South End | 9,800 | ..... | .18 | .15 | .18 |
| 1 | .63 | .25 | Spooner Oil | ...... | (... bid .25 asked) | | | |
| No | 2.35 | 1.50 | Texas Can. | 1,650 | 1.79 | 1.90 | 1.80 | 1.87 |
| No | .70 | .17 | United Oil | 9,415 | .29½ | .29½ | .24 | .26½ |
| 1 | 2.25 | 1.00 | Vulcan | 8,500 | 1.95 | 1.90 | 1.50 | 1.76 |

### VANCOUVER STOCK EXCHANGE

| Par Val. | Range 1937 High | Low | Company | Sales | Close July 26 (or last) | High for week | Low for week | Close Aug. 2 |
|---|---|---|---|---|---|---|---|---|
| 50c | .15 | .08 | Aztec | 15,400 | .08½ | .09½ | .08 | .09½ |
| 20c | .04 | .01 | Beaver Silver | ...... | (.01 bid .01½ asked) | | | |
| 1 | .70 | .42 | Big Missouri | 3,250 | .47 | .50 | .49 | .50 |
| 25c | .07½ | .01½ | Bluebird | 3,000 | .02 | .02 | .02 | .02 |
| No | 9.00 | 6.10 | Bralorne | 1,455 | 7.40 | 7.50 | 7.30 | 7.40 |
| 1 | .07½ | .03 | Bridge River Cons. | ...... | (... bid .03½ asked) | | | |
| 50c | .19 | .08 | B.R. Mountain Gold | ..... | (.08 May 29) | | | |
| 1 | .40 | .17 | B. C. Nickel | 4,900 | .19 | .18½ | .17 | .17 |
| 1 | 3.85 | 1.75 | B.C. Silver | 900 | 1.90 | 2.07 | 2.00 | 2.00 |
| 50c | .04½ | .02 | Canadian Rand | ...... | (.02 July 20) | | | |
| 1 | 1.79 | 1.43 | Cariboo Gold | 1,750 | 1.50 | 1.50 | 1.47 | 1.50 |
| 1 | .14 | .03 | Congress Gold | 6,000 | .03½ | .03½ | .03 | .03½ |
| 25 | .05 | .01 | Cork Province | 2,000 | .01 | .01½ | .01 | .01½ |
| No | .28 | .13 | Dentonia | 5,900 | .15 | .15 | .13 | .15 |
| 1 | .05 | .03 | Dunwell | ...... | (.02 bid .03 asked) | | | |
| No | .18 | .06 | Fairview Amal. | 8,050 | .07 | .07½ | .06 | .06 |
| 1 | .06½ | .02½ | Federal Gold | 7,500 | .02½ | .02½ | .02½ | .02½ |
| 1 | 1.43 | .38 | George Copper | 542 | .40 | .50 | .50 | .50 |
| 50c | .05½ | .02½ | George Enterprise | ...... | (... bid .03½ asked) | | | |
| 1 | .05 | .01½ | Georgia River | 1,000 | .01½ | .02 | .02 | .02 |
| 50c | .03½ | .01 | Glacier Creek | ...... | (.01 June 5) | | | |
| 1 | .29 | .05 | Golconda | 1,900 | .06½ | .07½ | .07 | .07 |
| 50 | .37 | .11½ | Gold Belt | 900 | .24 | .24 | .22 | .24 |
| 50 | .43 | .03½ | Gold Mountain | 16,000 | .03½ | .03½ | .03½ | .03½ |
| 50c | ..... | ..... | Grandview | 25,800 | .17½ | .19½ | .18 | .19½ |
| 1 | .18½ | .07 | Grull Wihksne | 3,700 | .07 | .09 | .08½ | .09 |
| No | .05 | .00½ | Haida Gold | ...... | (.00½ bid ... asked) | | | |
| No | .13 | .02 | Hedley Sterling | ...... | (... bid .02 asked) | | | |
| No | .04½ | .01½ | Home Gold | 16,000 | .02½ | .02½ | .02½ | .02½ |
| 1 | .08 | .02 | Indian Mines | ...... | (.02½ bid .02½ asked) | | | |
| 50c | 1.18 | .55 | Island Mountain | 2,200 | .65 | .60 | .60 | .60 |
| 1 | .24 | .21 | Inter'tl Coal | ...... | (.23 bid .25 asked) | | | |
| ... | .06½ | .03 | Inter'tl Gold | ...... | (... bid .04 asked) | | | |
| 50c | .90 | .71 | Kootenay Belle | 5,300 | .89 | .90 | .85 | .85 |
| 20c | .07 | .01½ | Koot. Florence | 11,000 | .01½ | .02 | .01½ | .02 |
| 1 | .03½ | .00½ | Lakeview | 3,000 | .01½ | .01½ | .01½ | .01½ |
| 10c | .19½ | .04½ | Lucky Jim | 33,800 | .04½ | .07 | .04½ | .06½ |
| No | .07½ | .02 | Mak Siccar | 2,500 | .02½ | .02½ | .02½ | .02½ |
| 1 | .19½ | .18 | McGillivray Creek | ...... | (.19½ bid ... asked) | | | |
| 50c | .06½ | .01 | Meridian Min. | 1,150 | .02 | .02 | .01½ | .01½ |
| 5c | .17 | .02½ | Metaline | ...... | (.02½ July 31) | | | |
| No | .38 | .09½ | Minto Mines | 51,450 | .11½ | .11½ | .09½ | .09½ |
| 50c | .15½ | .04 | Nicola | 6,800 | .06 | .05½ | .05 | .05 |
| 50c | .17 | .05 | Noble Five | 12,000 | .05½ | .07 | .05 | .07 |
| 1 | 6.75 | 2.55 | Pend Oreille | 1,570 | 3.65 | 4.00 | 3.55 | 3.95 |
| No | .07½ | .02½ | Pilot Gold | 1,500 | .03½ | .03½ | .03½ | .03½ |
| 1 | 6.75 | 3.70 | Pioneer Gold | 470 | 3.75 | 3.80 | 3.70 | 3.70 |
| 50c | .15 | .04½ | Porter Idaho | 500 | .05 | .05 | .05 | .05 |
| No | .06½ | .01½ | Premier Border | 11,700 | .02 | .02½ | .02 | .02½ |
| 1 | 4.80 | 1.95 | Premier Gold | 1,630 | 2.45 | 2.48 | 2.45 | 2.45 |
| 1 | .15 | .03 | Quatsino Copper | 2,000 | .04½ | .04½ | .04 | .04½ |
| 25c | .17 | .07 | Quesnelle Quartz | 6,000 | .10 | .10 | .10 | .10 |
| 1c | .05½ | .02 | Reliance | 8,200 | .02 | .02 | .02 | .02 |
| 1 | .37 | .12 | Relief Arlington | 9,500 | .23 | .27 | .23½ | .27 |
| No | 1.90 | .63 | Reeves McDonald | 2,900 | .74 | .75 | .63 | .75 |
| 1 | 1.31 | .75 | Reno Gold | 1,000 | .86 | .89 | .83 | .86 |
| 1 | .20½ | .06 | Reward Mining | 7,500 | .09 | .08 | .07½ | .08 |
| 1 | .09½ | .02½ | Rufus Argenta | 11,000 | .03 | .03½ | .02½ | .03½ |
| 1 | .11½ | .02½ | Ruth Hope | 3,500 | .03½ | .04 | .03½ | .04 |
| 1 | .12 | .04 | Sally Mines | 3,000 | .05 | .05 | .05 | .05 |
| 50c | .15 | .07½ | Salmon Gold | ...... | (.07½ bid .08½ asked) | | | |
| 50c | .83 | .58 | Sheep Creek | 3,300 | .80 | .77 | .76 | .77 |
| 1 | 3.20 | 2.50 | Sihak Premier | ...... | (1.95 bid 2.05 asked) | | | |
| 25c | .14½ | .04 | Silvercrest | ...... | (... bid .05 asked) | | | |
| 20 | .10 | .01 | Silversmith | 13,000 | .02½ | .02½ | .02½ | .02½ |
| 1 | .63 | .40 | Standard Silver | ...... | (.40 June 14) | | | |
| 1 | .75 | .20 | Sunloch | ...... | (.21 bid ... asked) | | | |
| 10c | 21.00 | 19.75 | Sunshine | ...... | (19.75 Apr. 5) | | | |
| No | .13 | .04½ | Taylor Bridge | ...... | (.04½ bid .05 asked) | | | |
| No | 1.05 | .30 | Vidette Gold | 1,700 | .35 | .38 | .35 | .35 |
| No | .06½ | .00½ | Viking Gold | 4,500 | .01½ | .01½ | .01½ | .01½ |
| 50c | .03 | .00½ | Waverley Tangier | 2,750 | .00½ | .00½ | .00½ | .00½ |
| 20c | .13½ | .02½ | Wellington | 4,500 | .03½ | .04½ | .04 | .04 |
| 50c | .50 | .15 | Wesko | 3,100 | .21 | .21 | .18 | .18 |
| 1 | .42 | .10 | Whitewater | 12,900 | .13 | .14½ | .13 | .14½ |
| No | .50 | .23 | Ymir Yankee Girl | ...... | (.22 bid .23 asked) | | | |

### OIL STOCKS

| Par Val. | Range 1937 High | Low | Company | Sales | Close July 26 (or last) | High for week | Low for week | Close Aug. 2 |
|---|---|---|---|---|---|---|---|---|
| 1 | 1.09 | .26 | Alta. Pac. Cons. | 2,620 | .38 | .38 | .35 | .35 |
| 1 | .14½ | .06 | Amalgamated | 6,000 | .06 | .06½ | .06 | .06½ |
| No | .45 | .07 | Associated Oil | 300 | .20 | .12 | .12 | .12 |
| 1 | .64 | .07½ | Anaconda | 13,000 | .14 | .14 | .10½ | .11 |
| No | .24 | .04½ | Baltac | 2,500 | .07 | .06 | .05½ | .05½ |
| 1 | 1.05 | .15 | Brit. Dominion | 600 | .32 | .28 | .26 | .26 |
| No | 6.50 | 2.15 | Calgary & Ed. | 8,140 | 3.10 | 3.00 | 2.62 | 2.90 |
| 1 | .80 | .26 | Commonwealth | 3,700 | .36 | .38 | .33 | .35 |
| 1 | 1.84 | .43 | Calmont | 12,700 | .71 | .72 | .65 | .65 |
| 1 | .13 | .04½ | Crow's Nest | ...... | (... bid .06 asked) | | | |
| No | 3.55 | .71 | Dalhousie | 1,610 | .96 | .95 | .88 | .88 |
| No | .24 | .05 | Devenish | 2,000 | .07 | .07 | .05 | .06 |
| No | .45 | .13 | Eastcrest | ...... | (.15½ July 24) | | | |
| No | .93 | .23 | Foundation Pete. | 9,100 | .36 | .34 | .30½ | .30½ |
| No | .44 | .09 | Freehold | 16,100 | .11 | .10 | .09½ | .10 |
| No | .40 | .10 | Hargal | 6,500 | .24 | .24 | .21 | .24 |
| No | .91 | .14 | High Sarcee | 5,500 | .23 | .19½ | .19 | .19 |
| No | 4.10 | 1.50 | Home Oil | 6,600 | 2.07 | 2.07 | 1.90 | 2.00 |
| No | .88 | .20 | Lowery Pete. | 25 | .25 | .20 | .20 | .20 |
| No | .35 | .04½ | Madison | 15,500 | .09½ | .09½ | .08½ | .08½ |
| No | .50 | .14½ | Marjon Oil | 2,700 | .16 | .16 | .14½ | .14½ |
| No | .78 | .18 | McD. Segur Ex. | 43,800 | .31 | .30 | .27 | .27 |
| 1 | 1.60 | .40 | McLeod | 100 | .48 | .44 | .44 | .44 |
| No | .88 | .22 | Mercury | 22,420 | .33½ | .32 | .29½ | .23½ |
| No | .39 | .11 | Merland | 1,200 | .11 | .11 | .11 | .11 |
| No | .65 | .16 | Mill City Pete. | 1,600 | .27 | .26 | .21 | .22 |
| No | .65 | .08 | Midwest Pete. | 1,000 | .10 | .09½ | .09½ | .09½ |
| 1 | 1.15 | .44 | Model | 1,200 | .56 | .55 | .50 | .50 |
| 25c | .52 | .23 | Monarch Royal. | 127,100 | .48 | .48½ | .35 | .37 |
| 5 | .48 | .14 | Nordon | 21,400 | .17 | .23 | .18 | .21½ |
| No | 4.60 | .85 | Okalta | 10,655 | 2.12 | 2.15 | 1.80 | 1.80 |
| No | .44 | .11½ | Pacalta Oil | 8,800 | .21½ | .22 | .20 | .22 |
| 1 | 1.50 | .19 | Ranchmen's | 29,400 | .26 | .27 | .24 | .26 |
| No | 59.00 | 34.00 | Royalite | 34 | 50.00 | 49.00 | 46.00 | 46.00 |
| No | 2.00 | .45 | Southwest Pete. | 900 | .80 | .79 | .75 | .79 |
| 1 | .75 | .25 | Spooner | 100 | .25 | .25 | .25 | .25 |
| No | .72 | .16½ | United | 19,050 | .30 | .28½ | .25½ | .25½ |
| No | .38 | .05 | Vanalta | 3,500 | .10 | .09 | .08½ | .09 |
| 1 | 3.05 | .95 | Vulcan | 11,425 | 1.90 | 1.85 | 1.55 | 1.55 |

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

August 3

| Public Utility Issues: | Int. Rate % | Due | Bid Aug. 3 | Asked | Bid July 27 |
|---|---|---|---|---|---|
| †Assoc. Tel. & T. | 5½ | '55 | 83½ | 85½ | 83 |
| ▲Avalon Tel. | 6½ | '48 | 101½ | ... | 101½ |
| Beauharnois P. | 5½ | '73 | 62 | 66 | 62 |
| †Bell Telephone | 5 | '55 | 118 | 119 | 118 |
| †Do. | 5 | '57 | 119 | 122 | 119 |
| B. C. Power | 4½ | '60 | 99½ | 102½ | 99½ |
| B. C. Tele. | 4½ | '61 | 105 | 108 | 105 |
| ‡Calgary Power | 5 | '60 | 98 | 99 | 98 |
| ‡Do. | 5 | '58 | 98½ | 99½ | 98½ |
| †Can. Nor. Pwr. | 5 | '53 | 102½ | 103½ | 102½ |
| ‡Dom. Gas & El. | 6½ | '45 | 89 | 92 | 90 |
| ‡Gatineau Pwr. | 5 | '56 | 102½ | 103½ | 102½ |
| ‡Do., A | 6 | '41 | 100½ | 103½ | 101 |
| ‡Do., B | 6 | '41 | 100½ | 103½ | 101 |
| Gt. Lakes Pwr. | 4½ | '56 | 93 | 96 | 93 |
| ‡Inter. Hydro-El. | 6 | '44 | 84½ | 87½ | 82½ |
| ‡Inter. Power | 6 | '57 | 98 | 101 | 97½ |
| ‡Do. | 6½ | '57 | 99½ | 102½ | 99½ |
| ▲Do. | 6 | '55 | 101 | 104 | 101 |
| †Maclaren-Que. Power | 5½ | '61 | 101 | 104 | 101 |
| †Do. | 5½ | '64 | 100½ | 103½ | 101 |
| †Mtl. Island Pr. | 5½ | '57 | 104 | 107 | 104 |
| †Mtl. L., H. & P. | 3½ | '56 | 99 | 102 | 99 |
| †Mtl. Tramways. | 5 | '41 | 99 | 102 | 99½ |
| †Do. | 5 | '55 | 78½ | 81½ | 78½ |
| Nfld. L. & P. | 4½ | '56 | 99 | 102 | 99 |
| Nat'l. L. & P. | 6 | '49 | | | |
| N. S. L. & Pr. | 4 | '57 | 98 | 102 | 98 |
| †Ot'wa L. H. & P. | 5 | '57 | 104½ | 107½ | 104½ |
| †Ottawa V. Pwr. | 5½ | '70 | 104 | 107 | 104 |
| †Power Corp. | 4½ | '59 | 98½ | 101½ | 99 |
| ‡Quebec Pwr. | 5 | '68 | 103 | 106 | 103½ |
| Saguenay P., B. | 4½ | '66 | 102 | 105 | 102½ |
| *Do., A | 4½ | '66 | 100 | 103 | 100 |
| †Shaw. W. & Pr. | 4 | '61 | 96½ | 101½ | 98½ |
| †Do. | 4½ | '70 | 103½ | 106½ | 103½ |
| †United Secs. | 5½ | '52 | 79 | 82 | 79 |
| †West. Pwr. Co. | 5 | '49 | 104 | 107 | 104 |
| ‡Wpg. Elec., A | 4 | '65 | 75½ | 78½ | 76 |
| ‡Do., B | 4 | '65 | 61½ | 64½ | 62 |
| **Industrial and Realty Issues:** | | | | | |
| †Abitibi P. & P. | 5 | '53 | 97 | 100 | 97½ |
| Acadia Sugar | 4½ | '55 | 100 | 103 | 99½ |
| B. A. Oil | 4 | '45 | 102 | 105 | 102 |
| Canada Bread | 6½ | '41 | 107½ | 110½ | 107½ |
| †Canada Cement | 4½ | '51 | 103 | 106 | 103 |
| †Canada Paper | 4½ | '52 | 98 | 101 | 98 |
| Can. Steamship | 5 | '57 | 73 | 76 | 70½ |
| Can. Canners | 4 | '51 | 100 | 103 | 100 |
| Can. Bakeries | 6½ | '45 | 100 | 103 | 100 |
| ‡Can. Inter. Pap. | 6 | '49 | 101 | 104 | 101 |
| C. P. R. | 3½ | '51 | 96 | 99 | 95½ |
| Do. | 4 | '49 | 100 | 103 | 99½ |
| Do. | 4½ | '44 | 101½ | 104½ | 101½ |
| Do. | 4 | Perp. | 93 | 96 | 93 |
| †Can. Vickers | 6 | '47 | 97½ | 100½ | 97½ |
| †Consol. Paper | 5½ | '61 | 89 | 92 | 88½ |
| ‡Dominion Coal. | 6 | '55 | 100½ | ... | 100½ |
| ▲Do. | 5 | '40 | 105 | ... | 104½ |
| ▲Dom. Stl. & C. | 6½ | '55 | 110½ | 113½ | 109 |
| Dom. Tar | 4½ | '51 | 100½ | 103½ | 100½ |
| Dom. Textile | 4½ | '55 | 105½ | 108½ | 105½ |
| †Donnacona P. | 4½ | '56 | 85½ | 88½ | 85½ |
| †Famous Players | 4½ | '51 | 97 | 100 | 96½ |
| †Fraser Cos. | 6 | '50 | 103½ | 106½ | 103 |
| †Gen. Stl. W. | 4½ | '52 | 96 | 99 | 96 |
| Great Lakes P. | 5 | '55 | 98 | 101 | 97 |
| †Gypsum, Lime. | 5½ | '48 | 101 | 104 | 101 |
| †Gr. Br. & Can. Invest. | 4½ | '59 | 86 | 89 | 86 |
| Hamilton Cot. | 5½ | '48 | 103 | ... | 103 |
| Ham. By-Prod. Coke | 5 | '50 | 97½ | 100½ | 97½ |
| †Inter. Paper | 6 | '55 | 98 | 101 | 97½ |
| †Inter. P. & P. Nfld. | 5 | '68 | 102½ | 105½ | 102½ |
| Inter City Bak. | 5½ | '48 | 103 | 106 | 103 |
| †Kingston Elev. | 6 | '50 | 96½ | 99½ | 97 |
| Lake St. John P. & P. | 5½ | '61 | 100½ | 103½ | 100½ |
| Do. | 5 | '61 | 81½ | 84½ | 81½ |
| †Lond. Can. Inv. | 4½ | '48 | 94 | 97 | 93½ |
| †Massey-Harris | 5 | '47 | 96½ | 99½ | 97 |
| †McColl-Front. | 6 | '49 | 103½ | 106½ | 103 |
| †Mersey Paper | 6 | '49 | 99 | 102 | 99 |
| ‡M. & O. Paper. | 6 | '45 | 66½ | 69½ | 67½ |
| Nat'l. Grocers | 4 | '47 | 100½ | 103½ | 100 |
| †N. A. Elevators | 6 | '50 | 95 | 98 | 95 |
| Nor. Ont. Bldg. | 6½ | '39 | 97 | 100 | 97 |
| †Price Bros. | 5 | '57 | 99½ | 102½ | 99½ |
| ‡Prov. Paper | 5½ | '47 | 102½ | 105½ | 102½ |
| Queen's Hotel | 6 | '47 | 98½ | 101½ | 98½ |
| †Restigouche Co. | 6 | '48 | 112 | 115 | 112 |
| Rich. Bay Bldg. | 6½ | '47 | 96 | 99 | 96 |
| †Rolland Paper | 5½ | '51 | 102½ | 105½ | 102½ |
| Ruddy & Co. | 6½ | '48 | 98 | 101 | 98 |
| †Simpsons Ltd. | 4½ | '51 | 97½ | 100½ | 97 |
| †Smith, Howard | 4½ | '51 | 103 | 106 | 103½ |
| †Steel of Canada | 6 | '40 | 110 | 113 | 110 |
| Sterling Coal | 6 | '40 | 94½ | 97½ | 94½ |
| *Twin City | 5½ | '52 | 78½ | 81½ | 79 |
| United Amuse. | 5 | '56 | 99 | 102 | 99 |
| United Corp. | 5 | '53 | 95½ | 98½ | 95½ |
| Union Gas | 4½ | '50 | 99½ | 102½ | 99½ |
| ▲Wabasso Cot. | 4½ | '51 | 97½ | 100½ | 97½ |
| Windsor Hotel. | 6½ | '43 | 82 | ... | 81½ |
| Do. | 6 | '47 | 42 | ... | 42 |

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

## Unlisted Mines

August 3, 1937

| | Bid | Asked |
|---|---|---|
| Albany River | .32 | .34 |
| Altura | .27 | .30 |
| Algold | .35 | .37 |
| Am. Gold | .17½ | .18½ |
| Armistace | .12½ | .14 |
| Arno | .02½ | .03 |
| Athona | .15 | .18 |
| Area | .03½ | .04½ |
| Augite | .10 | .12 |
| Bailor | .03½ | .04½ |
| Barb Lar. | .14 | .15 |
| Bathurst N. | .02 | .03 |
| Bilmac | .07 | .08 |
| Baldwin | .02¾ | .03¼ |
| Big Master | .05 | .06 |
| Cuniptau | .06½ | .07½ |
| Calder Bous. | .06 | .07½ |
| Cal. Fl. Fl. | .03½ | .04½ |
| Can. Pan. | .10½ | .11 |
| Can. Kir. | .02 | .02¼ |
| Candalaca | .. | .40 |
| Casey Con. | .01 | .01½ |
| Chesterville | 1.65 | 1.75 |
| Coin Lake | .05 | .08 |
| Condor Old | .03½ | .04 |
| Con. Kir. | .27 | .28 |
| Cooke Lake | .25 | .29 |
| Coulson C. | .08 | .09 |
| Cres. Kirk. | .05 | .06 |
| Dawson White | .14 | .15 |
| Dempsey C. | .06½ | .07½ |
| Denison N. | .41 | .43 |
| Desantis N. | .. | .38 |
| Doreva | .30 | .32 |
| Delosha P. | .16 | .18 |
| Dunlop N. | .03½ | .04 |
| El Bonanza | .09½ | .10½ |
| Electra Porc. | .07 | .08½ |
| Eva Lake | .10 | .10½ |
| Elmos | .09 | .11 |
| Faulkenham | .35 | .38 |
| Fernland | .12 | .15 |
| Fleming | .19 | .20 |
| Franklin | .01 | .01½ |
| Frontier | .12½ | .13½ |
| Galatea | .02½ | .03 |
| Garnet | .03 | .03¼ |
| Gate Pat. | .04 | .08 |
| Gilbec | .02¼ | .02½ |
| Gold Range | .02 | .03 |
| Goldside | .03¾ | .04¼ |
| Golden Gate | .44 | .46 |
| Gordon Lebel | .07 | .08 |
| Hudson Pat. | .03¼ | .03¾ |
| Hislop | .07½ | .08½ |
| Horseshoe | .01¾ | .02 |
| Hutchinson Lake | .17 | .17½ |
| Hugh Pam. | .09 | .10 |
| John Nip. | .03½ | .04½ |
| Kaw Crow | .06 | .08 |
| Kenecha | .15 | .16 |
| Kenricia | .. | .40 |
| Kewgama | .25 | .28 |
| King Kirk | .01¾ | .02¼ |
| Kir-Vit. | .13¾ | .14¼ |
| Kirk/Hun. | .01½ | .02 |
| Lafayette | .03¼ | .03¾ |
| Lake Rouyn | .36 | .38 |
| Lake Geneva | .64 | .65 |
| Lamaque | 6.15 | 6.25 |
| Lardego | .05 | .07 |
| Magnet L. | .03½ | .04½ |
| Magnet Con. | .13 | .15 |
| Malartic | .31 | .34 |
| Martin Mc. | .04 | .05 |
| Martin Bird | .37 | .39 |
| Mar. R. L. | .38 | .39 |
| Mata. Can. | .12½ | .13½ |
| Moffatt New | .05 | .06½ |
| McLong L. | .07 | .08 |
| McCarthy Webb | .31 | .33 |
| McVittie | .03¾ | .04½ |
| Monarch | .11 | .12 |
| Mooshla | .. | .13 |
| Mosher | .23 | .25 |
| Norlake | .08 | .10 |
| North Shore | .02¾ | .03 |
| Oklend | .14½ | .15 |
| O'Leary | .07 | .08 |
| Opem. Copper | .12½ | .13 |
| Oriole | .07 | .08 |
| Ossian | .01½ | .02 |
| Pascalis | .29 | .31 |
| Porc. United | .05 | .06½ |
| Plains Pete. | 4.25 | 4.60 |
| Porc. McNabb | .04 | .05½ |
| Potterdoal | .02 | .02¾ |
| Porc. Triumph | .07 | .09 |
| Pontiac | .12 | .14 |
| Pelangio | .09 | .10 |
| Propr'y | 1.80 | 1.90 |

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 3

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadia Sugar, pfd. | [illegible] | [illegible] |
| Acme Farmers Dairy, pfd. | 45.00 | 50.00 |
| Algoma Steel, com. | 18.75 | 19.25 |
| Do., pfd. | 78.25 | 79.50 |
| Andian Nat. Corp. | 50.75 | 51.00 |
| Assoc. Tel. & Tel., pfd. | 39.00 | 41.00 |
| B. C. Pulp & Paper, pfd. | 88.00 | 90.00 |
| Do., com. | 28.75 | 30.00 |
| Brandram-Henderson, com. | 3.50 | 6.00 |
| Do., pfd. | 30.25 | .... |
| Burns & Co., "A" | 10.00 | 11.75 |
| Do., "B" | 4.25 | 5.50 |
| Can. Tube & Steel, 1st pfd. | 77.00 | .... |
| Do., 2nd pfd. | 28.00 | .... |
| Can. Tube & Steel, com. | 10.00 | .... |
| Can. Wire & Cable, pfd. | 119.00 | .... |
| Can. Airways | 5.25 | 6.50 |
| Can. Industries, pfd. | 156.00 | 159.50 |
| Can. Ingersoll Rand | 129.25 | 132.00 |
| Can. Westinghouse | 64.25 | 66.50 |
| Chase, A. W., pfd. bonus | 27.25 | .... |
| Conduits Nat., com. | 5.50 | 6.25 |
| Crescent Creamery, pfd. | 36.25 | 39.00 |
| Dom. Found. & Steel, com. | 39.25 | 40.00 |
| Do., pfd. | 98.00 | 100.00 |
| Dominion Woollens, com. | .95 | 1.20 |
| Do., pfd. | 3.80 | 4.50 |
| Dunlop Tire, pfd. | 84.50 | 87.00 |
| Federal Grain, com. | .... | 3.00 |
| Do., pfd. | .... | 40.00 |
| Gatineau Power, com. | 10.25 | 10.75 |
| Do., pfd. | 74.25 | 75.00 |
| Goderich Elevator, pfd. | 4.00 | 4.75 |
| Greening Wire, pfd. | 108.25 | 110.00 |
| Guelph Carpet, pfd. | 105.25 | 107.00 |
| Do., com. | 25.50 | .... |
| Hayes Steel Prod., com. | 11.75 | 12.75 |
| Do., pfd. | 8.25 | 9.25 |
| Highland Dairy, pfd. | 80.25 | 85.00 |
| Lake Sulphite Pulp, com. | 24.75 | 25.25 |
| Loblaw's Inc. (U.S.) Units | 77.25 | .... |
| McCormick's, com. | 4.00 | 5.00 |
| Do., pfd. | 18.00 | .... |
| Morrison Brass, pfd. bonus | 11.00 | 13.00 |
| Mount Royal Hotel, pfd. | 4.00 | 4.75 |
| New Meth. Laund., pfd. bon. | 92.00 | 95.00 |
| Paterson, Wm., pfd. | 100.00 | .... |
| Perfection Pete., pfd. | 21.00 | 22.50 |
| Provincial Paper, pfd. | 107.25 | 108.00 |
| Reliance Grain, pfd. | .... | 86.00 |
| Rob. Consol. Cone | 10.75 | 11.25 |
| Ruddy, E. L., pfd. | .... | 34.25 |
| Seal A Sac (Can.) | 13.00 | .... |
| Standard Fuel, com. | 5.75 | 7.00 |
| Do., pfd. | 98.00 | 100.50 |
| Supertest Pet., "B" pfd. | 26.25 | 28.00 |
| Toronto Carpet, com. | 57.00 | .... |
| Do., pfd. | 61.00 | .... |
| United Steel, "A" pfd. | 19.25 | 20.25 |
| West. Grain, pfd. bonus | 7.25 | 10.00 |
| Weston (Geo.) Foods (Eng.) | 3.00 | 3.25 |
| Wings Limited | 1.00 | 1.15 |
| **Trusts & Loan Stocks:** | | |
| Chartered Trust | 99.50 | 100.75 |
| Commercial Finance, com. | 2.75 | 2.90 |
| Guelph Ont. Inv., par $50 | 50.00 | 52.00 |
| London & West. Trust | 50.00 | 55.00 |
| Prudential Trust | 6.50 | .... |
| Sterling Trust | 41.25 | .... |
| Traders Fin., "A" com | 19.00 | 21.00 |
| Do., Inc. Rights | 12.25 | .... |
| Do., "B" pfd. bonus | 95.00 | 98.00 |
| Trusts & Guarantee | 28.50 | 30.00 |
| **Insurance Stocks:** | | |
| Canada Life | 535.00 | 545.00 |
| Canadian Ins. Shares | 16.00 | .... |
| Confederation Life 20% pd. | 116.25 | 118.50 |
| Dominion Fire | 133.25 | .... |
| Dom. of Can. Gen. | 133.00 | 140.00 |
| Empire Life 25% pd. | 12.25 | 13.50 |
| Federal Fire 25% pd. | 38.25 | 41.00 |
| Great West Life | 335.00 | 345.00 |
| Guar. of N.A., fully pd. | 295.00 | 320.00 |
| Do., 20% pd. | 57.75 | .... |
| Imperial Life | 355.00 | 370.00 |
| Manufacturers Life | 272.50 | 280.00 |
| Monarch Life 10% pd. | 25.00 | 27.00 |
| Sovereign Life 25% pd. | 16.25 | 18.00 |
| Sun Life | 700.00 | 740.00 |
| Western Assurance, com. | 52.25 | .... |
| Do., pfd. | 40.75 | 42.50 |
| **Theatre Stocks:** | | |
| Allens, Kingston, pfd. | 68.25 | .... |
| Do., St. Catharines, pfd. | 61.25 | .... |
| Do., Tor., pfd. bonus com. | 30.25 | 33.25 |
| Loew's, London, pfd. | 2.15 | 2.75 |
| Mansfield Theatre, pfd. | 30.25 | 34.00 |
| Paramount, Kitchener, pfd. | 58.25 | 62.00 |
| Do., Oshawa, pfd. | 90.25 | 95.00 |
| United Amuse., "A" V.T. | 19.00 | 22.00 |
| Do., "B" | 21.00 | 23.00 |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 10.20 | 10.50 |
| Can. Investment Fund | 4.55 | 4.95 |
| Can. Investors Corp. | 8.50 | 9.25 |
| Cons. Div. Std. Sec., com. | .40 | .... |
| Do., pfd. | 22.00 | .... |
| Invest. Found., pfd. bonus | 57.25 | 60.00 |
| Lon. Can. Invest., com. | 4.40 | 5.00 |
| Sec's. Hold., pfd. bonus | 20.25 | 22.50 |
| United Corpns., "A" | 23.25 | 25.50 |
| Do., "B" | 22.25 | 23.50 |
| **Power Issues:** | | |
| Can. West. Nat. Gas, pfd. | 90.75 | 92.50 |
| Do., com. | 25.50 | .... |
| Foreign Power Sec's., pfd. | 8.75 | 10.50 |
| Great Lakes Power, pfd. | 98.75 | .... |
| Inter. Util., 1.75 pfd. | 16.75 | 18.25 |
| Montreal Island Pwr., pfd. | 15.50 | 18.50 |
| New Brunswick Tele., com. | 13.50 | 14.25 |

## Winnipeg Stocks

(Transactions from July 26 to Aug. 2)

| | Sales | High for period | Low for period | Close Aug. 2 |
|---|---|---|---|---|
| Cryderman | 300 | .02 | .02 | .02 |
| Cres. Cream., p. | 23 | 37.00 | 36.00 | 36.00 |
| Dickstone Cop. | 2,100 | .10 | .10 | .10 |
| Cons. Goldfields | 500 | .08 | .08 | .08 |
| Fed. Grain, pf. | 30 | 31.50 | 31.50 | 31.50 |
| Flin Flon | 1,085 | .07 | .06 | .07 |
| Gurney | 1,600 | .35 | .31 | .35 |
| Gold Lake | 3,500 | .02 | .02 | .02 |
| Island Lake | 2,000 | .02 | .02 | .02 |
| Marvel Oils | 400 | .06 | .05 | .06 |
| Ore Grande | 3,500 | .02 | .02 | .02 |
| Packsack | 1,000 | .11 | .10 | .10 |
| Pine Lake | 1,000 | .05 | .05 | .05 |
| Sachigo River | 360 | 14.00 | 11.00 | 14.00 |
| Star Lake | 1,000 | .02½ | .02½ | .02½ |
| United Grain | 6 | 9.00 | 8.50 | 8.50 |
| West. Brew. | 55 | 1.10 | 1.10 | 1.10 |
| Wings Ltd. | 100 | .95 | .95 | .95 |
| Wallace Lake | 2,000 | .01½ | .01½ | .01½ |
| Wendigo | 1,500 | .17½ | .16½ | .16½ |
| Wingold | 2,500 | .03½ | .03½ | .03½ |
| Wylie Dom. | 3,600 | .29 | .25 | .25 |
| Wpg. R. Tin | 9,510 | .02 | .01 | .01½ |

Stocks Not Traded In During Week*

| | Bid | Asked |
|---|---|---|
| Beaver Fire Insurance | .. | 100 |
| Can. Indemnity | 125 | .. |
| Dom. Envelope, c. | .. | 3¼ |
| Do., pref. | 97 | 99½ |
| Federal Grain, com. | .. | 4 |
| Home Investment | 22 | 25 |
| Northern Can. Mtge., pf. | 3 | .. |
| Northern Trust | 8¾ | .. |
| Traders Bldg. | .. | 90 |
| West Steel, pfd. | 8 | .. |

*Stocks more active on other exchanges not included.

## Municipal Bonds

August 3, 1937

| | Rate | Due | Bid | Ask. | Yld. |
|---|---|---|---|---|---|
| †Halifax | 5 | 1961 | 110.00 | 112.00 | 4.20 |
| Hamilton | 5 | 1950 | 112.50 | 114.50 | 3.60 |
| Montreal | 5 | 1945 | 104.50 | 106.00 | 4.08 |
| Ottawa | 4½ | 1945 | 108.50 | 110.60 | 3.00 |
| †Quebec | 5 | 1959 | 102.00 | 104.00 | 4.70 |
| Saint John | 5 | 1950 | 106.00 | 107.50 | 4.26 |
| †Toronto | 4½ | 1955 | 110.30 | 112.30 | 3.55 |
| †Vancouver | 5 | 1950 | 89.00 | 94.00 | 5.68 |
| Winnipeg | 5 | 1944 | 96.00 | 100.00 | 5.00 |

†Payable Can. and N. Y.

UNLISTED MINES—(Continued)

| | Bid | Asked |
|---|---|---|
| Que. Man. | .66 | .69 |
| Rajah | .11 | .13 |
| Richmac | .20 | .25 |
| Ribago O. | .02¾ | .03½ |
| Ribago N. | .11 | .12 |
| Roeanor | .03 | .08 |
| Rouyn Reward | .04¾ | .03½ |
| Rubec | .03 | .03½ |
| Sand River | .29 | .31 |
| Schenango | .14½ | .17 |
| Skookum | .04½ | .05½ |
| Siscoe Ex. | .25 | .26 |
| Smelters | .02¾ | .03½ |
| Spooner | .13½ | .14 |
| Sturgeon River | .27 | .30 |
| Springer | .09 | [illegible] |
| Straw L. B. | .11½ | [illegible] |
| Sun Bear | .20 | .23 |
| Tonawanda | .02½ | .04½ |
| Tripple Lake | .31 | .33 |
| Upper Can. | .12 | [illegible] |
| Wascana | .13½ | .15 |
| Williamson | .. | [illegible] |
| Wesley | .11 | .01½ |
| Westside | .04 | .07½ |
| West R. L. | .04 | [illegible] |
| White Horse | .10 | .13 |
| Wendigo | .17 | [illegible] |
| Winoga | .07 | [illegible] |
| Young D. | .18 | .17½ |
| Ypres Cad. | .12 | .14 |

## Government Bonds

### Dominion of Canada Bonds

| Aug. 4, 1937 | | Bid | Asked | Approx. Yld. |
|---|---|---|---|---|
| 2 | 15 Nov. '39 | 101.35 | 101.85 | 1.20 |
| 2½ | 15 Oct. '39 | 102.40 | 102.90 | 1.19 |
| 4 | 15 Oct. '39 | 105.65 | 106.15 | 1.22 |
| 1½ | 1 June '40 | 100.10 | 100.60 | 1.29 |
| 4½ | 1 Sept. '40 | 108.00 | 108.50 | 1.70 |
| 1 | 15 Mar. '41 | 97.75 | 98.25 | 1.49 |
| 5 | 15 Nov. '41 | 111.00 | 111.50 | 2.18 |
| 3 | 15 Oct. '42 | 103.75 | 104.25 | 2.14 |
| 2½ | 1 June '43 | 101.10 | 101.60 | 2.22 |
| 5 | 15 Oct. '43 | 112.00 | 112.50 | 2.82 |
| 4½ | 15 Oct. '44 | 110.10 | 110.60 | 2.87 |
| *2½ | 15 Aug. '45 | 99.50 | 100.00 | ▲2.50 |
| 4 | 15 Oct. '45 | 106.50 | 107.00 | ▲2.78 |
| 4½ | 1 Feb. '46 | 110.00 | 110.50 | 3.09 |
| 3¼ | 1 June '49 | 100.75 | 101.25 | ▲3.09 |
| 3½ | 15 Oct. '49 | 102.75 | 103.25 | ▲3.00 |
| 4 | 15 Oct. '52 | 106.35 | 106.85 | ▲3.22 |
| 3 | 1 June '55 | 96.75 | 97.25 | 3.20 |
| 4½ | 1 Nov. '56 | 109.35 | 109.85 | ▲3.28 |
| 4½ | 1 Nov. '57 | 109.50 | 110.00 | ▲3.36 |
| 4½ | 1 Nov. '58 | 110.00 | 110.50 | ▲3.39 |
| 4½ | 1 Nov. '59 | 110.20 | 110.70 | ▲3.44 |
| *3¼ | 15 Jan. '61 | 99.65 | 100.15 | 3.24 |
| 3¼ | 1 June '66 | 98.50 | 99.00 | 3.30 |
| †3 | Perp. bds. | 87.25 | 87.75 | 3.42 |

### Dominion Guaranteed Bonds

| Canadian National Railway: | | Bid | Asked | Yld. |
|---|---|---|---|---|
| 3 | 1 May '44 | 102.00 | 103.00 | 2.52 |
| 3 | 15 Dec. '50 | 96.50 | 97.50 | 3.23 |
| 3 | 15 Feb. '53 | 95.50 | 96.50 | 3.28 |
| *4½ | 1 Sept. '51 | 113.25 | 114.25 | 3.26 |
| *4½ | 1 Feb. '56 | 113.50 | 114.50 | 3.43 |
| †4½ | 1 July '57 | 112.25 | 113.25 | 3.58 |
| *4¾ | 15 June '55 | 115.75 | 116.75 | 3.48 |
| 5 | 1 Feb. '54 | 116.00 | 117.00 | 3.65 |
| *5 | 1 July '69 | 116.00 | 117.00 | ▲2.93 |
| *5 | 1 Oct. '69 | 118.25 | 119.25 | ▲3.42 |

### Provincial Government Bonds

| | | Bid | Asked | Yld. |
|---|---|---|---|---|
| **New Brunswick:** | | | | |
| 4 | 1 Sept. '54 | 100.00 | 101.50 | 3.88 |
| *4½ | 15 Apr. '61 | 104.00 | 105.00 | 4.17 |
| †5 | 15 Jan. '60 | 107.50 | 109.50 | 4.33 |
| **Nova Scotia:** | | | | |
| 3 | 2 Sept. '45 | 97.00 | 98.00 | 3.28 |
| 4½ | 15 May '43 | 106.50 | 107.50 | 3.08 |
| †4½ | 15 Sept. '52 | 108.00 | 109.00 | ▲3.40 |
| †5 | 1 Mar. '60 | 115.50 | 116.75 | 3.88 |
| **Ontario:** | | | | |
| 3 | 1 Dec. '51 | 95.75 | 96.75 | 3.28 |
| *4 | 1 June '62 | 106.00 | 107.50 | 3.55 |
| 4½ | 1 June '50 | 110.25 | 111.25 | 3.42 |
| *4½ | 15 Jan. '63 | 112.50 | 114.50 | 3.60 |
| 5 | 15 Oct. '48 | 114.00 | 115.00 | 3.41 |
| *5 | 2 Dec. '60 | 118.00 | 119.50 | 3.75 |
| 5½ | 1 July '46 | 115.50 | 116.50 | 3.35 |
| **Ont. Hydro Comm.:** | | | | |
| 3½ | 1 Apr. '47 | 101.75 | 102.75 | 3.17 |
| 4¾ | 1 Jan. '70 | 115.00 | 117.00 | 3.83 |
| **Prince Edward Island:** | | | | |
| 3 | 1 Oct. '45 | 96.50 | 98.00 | 3.28 |
| **Quebec:** | | | | |
| 4 | 15 Mar. '52 | 105.00 | 106.25 | 3.46 |
| 4¼ | 1 Aug. '58 | 108.50 | 109.50 | 3.60 |
| 4½ | 2 Jan. '63 | 110.00 | 111.50 | 3.79 |
| **Alberta:** | | | | |
| 4 | 15 Dec. '54 | 51.00 | 55.00 | § |
| †4 | 1 Dec. '57 | 51.00 | 55.00 | § |
| 4½ | 1 Oct. '51 | 68.00 | 71.00 | § |
| †4½ | 1 Oct. '56 | 55.00 | 57.00 | § |
| †5 | 1 Jan. '48 | 57.00 | 59.00 | § |
| 5 | 1 Sept. '55 | 57.00 | 59.00 | § |
| *5 | 1 Oct. '59 | 57.00 | 59.00 | § |
| †5½ | 1 Jan. '47 | 59.00 | 61.50 | § |
| 6 | 1 Mar. '47 | 63.00 | 66.00 | § |
| **British Columbia:** | | | | |
| †4 | 1 Dec. '57 | 90.00 | 92.00 | 4.60 |
| *4½ | 15 Jan. '51 | 96.00 | 98.00 | 4.70 |
| †4½ | 1 Oct. '53 | 95.50 | 96.50 | 4.81 |
| †5 | 15 Jan. '48 | 99.25 | 100.25 | 4.97 |
| 5 | 1 Sept. '53 | 99.25 | 100.25 | 4.98 |
| 5½ | 1 Feb. '45 | 100.50 | 101.75 | 5.22 |
| 6 | 15 Feb. '47 | 103.25 | 104.25 | 5.44 |
| **Manitoba:** | | | | |
| 4 | 2 Jan. '50 | 79.00 | 80.50 | 6.27 |
| †4 | 1 Dec. '57 | 79.00 | 81.00 | 5.56 |
| †4½ | 15 Dec. '56 | 82.50 | 85.50 | 5.75 |
| †5 | 15 June '54 | 87.00 | 90.00 | 5.94 |
| *5 | 2 Dec. '59 | 87.00 | 90.00 | 5.80 |
| 5½ | 1 Oct. '55 | 90.00 | 93.00 | 6.13 |
| 6 | 1 Apr. '47 | 94.00 | 96.00 | 6.55 |
| **Saskatchewan:** | | | | |
| 4 | 15 Aug. '53 | 68.00 | 70.00 | 7.11 |
| 4 | 1 Nov. '60 | 66.00 | 68.00 | 6.73 |
| *4½ | 2 July '45 | 75.00 | 79.00 | 8.12 |
| †4½ | 1 Oct. '51 | 77.00 | 79.00 | 6.80 |
| †4½ | 15 Mar. '60 | 71.50 | 75.00 | 6.62 |
| 5 | 1 Aug. '58 | 72.00 | 75.00 | 7.35 |
| †5½ | 15 Nov. '46 | 79.00 | 83.00 | 8.13 |
| 5½ | 1 Oct. '52 | 78.00 | 82.00 | 7.48 |
| 6 | 15 Mar. '52 | 81.00 | 84.00 | 7.83 |

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

## Mining Dividends

| | Rate | Close Aug. 2 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 20c | 5.70 | .. |
| Beattie Gold | 5c | 1.15 | .. |
| Bralorne | 40c+25c | 7.25 | *8.9 |
| Buffalo Ankerite | 50c+12½c | 9.20 | *6.8 |
| Bulolo Gold | ‡1.50 | 25.00 | .. |
| Cariboo | 10c | 1.50 | 6.6 |
| Central Patricia | 8c | 2.75 | .. |
| Coniagas | 12½c | 2.25 | .. |
| Coniarum | 5c | 1.40 | .. |
| Cons. Smelters | 50c+$1 | 81.00 | .. |
| Dome Mines | $2+$2 | 39.50 | *10.1 |
| Falconbridge | 30c | 7.85 | 3.8 |
| Hollinger | 65c+45c | 11.50 | *9.4 |
| Howey Gold | 4c | .33½ | .. |
| Hudson Bay | 75c | 31.50 | .. |
| Island Mountain | ‡5c | .60 | .. |
| Inter. Mining | 30c | 11.12 | .. |
| Inter. Nickel, com. | $2 | 66.00 | 3 |
| Kerr Lake | 5c | .35 | .. |
| Kirk. Lake | ‡3c | 1.33 | .. |
| Lake Shore | $4+$1 | 50.00 | *10 |
| Lava Cap M. | 5c | 1.20 | .. |
| Little Long Lac | 30c | 5.70 | .. |
| Macassa | 15c | 5.35 | 2.8 |
| McIntyre | $2 | 34.50 | 5.8 |
| McKenzie Red Lake | 4c | 1.20 | .. |
| McKinley Sec. | 5c | .65 | .. |
| Noranda | ‡$1.75 | 64.50 | .. |
| Nor. Can. Mining | ‡2c | .72 | .. |
| Nipissing | 25c | 2.35 | .. |
| Placer Develop. | ‡60c | 15.00 | .. |
| Premier | 12c+3c | 2.45 | *6.1 |
| Pioneer, B.C. | 40c | 3.75 | 10.7 |
| Pickle Crow | 40c | 5.55 | 7.2 |
| Reno | 12c | .89 | 13.5 |
| San Antonio | 7c | 1.53 | .. |
| Sheep Creek | 8c+1c | .76 | *11.8 |
| Siscoe | 20c+1c | 3.70 | *5.6 |
| Sudbury Basin | †10c | 4.25 | .. |
| Sullivan Cons. | †2½c | 1.30 | .. |
| Sylvanite | 20c+5c | 3.15 | *7.9 |
| Teck-Hughes | 40c+5c | 4.95 | *9.1 |
| Toburn | 8c | 2.40 | 3.3 |
| Ventures | †12½c | 8.00 | .. |
| Wright-Harg. | 40c+25c | 6.50 | *10 |

‡Interim. †Initial.
*Yield includes bonus.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew-Surpass | 30c | Sept. 1 | Aug. 16 |
| Do., bonus | 30c | Sept. 1 | Aug. 16 |
| Do., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Aluminium, pfd. | $1.50 | Sept. 1 | Aug. 14 |
| Do., arrears | $4 | Sept. 1 | Aug. 14 |
| Bank of Montreal | $2 | Sept. 1 | July 31 |
| Bk. of Toronto | $2.50 | Sept. 1 | Aug. 14 |
| Bk Can. Nationale | $2 | Sept. 1 | Aug. 14 |
| Buff-Ankerite | 12½c | Aug. 16 | Aug. 2 |
| Do., extra | 7½c | Aug. 16 | Aug. 2 |
| Corporate Investors | 6½c | Aug. 15 | July 31 |
| Crown Cork | 20c | Aug. 16 | July 31 |
| Can. Bk. of Com. | $2 | Sept. 1 | July 31 |
| Cosmos Imp. | 25c | Aug. 14 | July 31 |
| Do., pref. | $1.25 | Oct. 15 | Sept. 30 |
| Canadian Oil | 12½c | Aug. 15 | Aug. 1 |
| Do., pref. | $2 | Oct. 1 | Sept. 20 |
| Corr P. Box, pf. | $1.75 | Sept. 1 | Aug. 16 |
| Can. Wire & C., p.‡ | $6 | Sept. 7 | Aug. 20 |
| Dom. Tar & Chem., pfd. | $1.37½ | Sept. 15 | Aug. 28 |
| Dom. Scot. Inv., pf. | 50c | Sept. 1 | Aug. 20 |
| Dom. Ang. Inv., pf. | $1.25 | Sept. 1 | Aug. 14 |
| Dom. Bridge | 30c | Aug. 14 | July 31 |
| Eng. Elec., A | 62½c | Sept. 15 | Aug. 31 |
| Ford Motor, A. B. | 25c | Sept. 18 | Aug. 28 |
| Gurd, Chas., pf. | $1.75 | Aug. 16 | July 31 |
| Hollinger Cons. | 5c | Aug. 12 | July 29 |
| Do., extra | 5c | Aug. 12 | July 29 |
| Inter. Nickel, c. | 50c | Sept. 30 | Aug. 31 |
| Kelvinator, pfd. | $1.75 | Aug. 16 | Aug. 5 |
| Little Long Lac | 10c | Aug. 16 | Aug. 5 |
| L. of Woods M., pf. | $1.75 | Sept. 1 | Aug. 14 |
| Loblaw, A & B | 25c | Sept. 1 | Aug. 10 |
| McColl-Fron., c. | 10c | Sept. 15 | Aug. 14 |
| McIntyre-Porc. | 50c | Sept. 1 | Aug. 3 |
| Nat. Biscuit, pf. | $1.75 | Aug. 31 | Aug. 13 |
| Nat. Biscuit, c. | 40c | Oct. 15 | Sept. 10 |
| Ont. Steel Prod., pf. | $1.75 | Aug. 15 | July 31 |
| Do., on arrears | $16 | Aug. 15 | July 31 |
| Penmans | 75c | Aug. 16 | Aug. 5 |
| Quebec Power | 25c | Aug. 16 | July 26 |
| Royal Bank | $2 | Sept. 1 | July 31 |
| Rolland Paper | 25c | Aug. 16 | Aug. 6 |
| Do., pref. | $1.50 | Sept. 1 | Aug. 16 |
| Sigma Mines* | 1c | Sept. 1 | Aug. 2 |
| Shawinigan W. | 20c | Aug. 16 | July 28 |
| South Can Pwr., c. | 20c | Aug. 16 | July 31 |
| Toburn Gold | 2c | Aug. 21 | July 22 |
| Union Gas | 15c | Sept. 15 | Aug. 20 |
| United Fuel, pf. | $3 | Aug. 16 | July 31 |
| United Corp., A | ‡75c | Aug. 16 | July 31 |
| Walker-G. & W. | 50c | Sept. 15 | Aug. 20 |
| Do., pref. | 25c | Sept. 15 | Aug. 20 |
| West. Koot. Pr., pf. | $1.75 | Oct. 1 | Sept. 22 |
| Wood, A. & J., pf. | ‡$1.75 | Aug. 10 | Aug. 2 |

*Initial. ‡On arrears.

Delegates to the recent congress in Berlin of the International Chamber of Commerce were welcomed by highest officials of the Third Reich. Above photos, taken by Murray R. Chipman, eastern manager of The Financial Post, show Realmleader Adolf Hitler taking the salute as he arrived at the congress, and (left) Gen. Hermann Goering, second only to Hitler in power and prestige in Germany.

# Germany Does the Impossible

(Continued from page 9)

Steel ingots increased from 5.8 million tons in 1932 to 19.2 million tons in 1936. Part of the increase was due to the re-occupation of the Saar steel-producing valley.

The following table gives a broader indication of the extent of industrial recovery in Germany.

**Industrial Production 1928 = 100**

| | 1932 | 1936 |
|---|---|---|
| Producers' goods | 47.7 | 112.6 |
| Consumers' goods | 77.1 | 95.7 |
| Pig iron | 38.9 | 129.7 |
| Machinery | 38.4 | 96.4 |
| Textiles | 76.2 | 98.4 |
| Total | 60.2 | 107.6 |

### Standard of Living Up

That the standard of living has increased to some degree is shown by the fact that turnover of retail trade has risen from 22.7 billion Reichmarks in 1932 to 27.8 billion Reichmarks in 1936.

This retail turnover of 27.8 billion marks comprises 45% of a national income in 1936 of 62.0 billion marks. The increased retail trade was due primarily to the expansion of industrial production, higher farm income and improved earnings of employees and workers. The greatest gain in purchases was in furniture and household goods.

It does not follow, however, that the improvement in retail trade has been profitable to the retailer. Although farm prices have increased, retail prices have been stringently kept down. The retailer is forced to work on a very narrow margin. Many of the smaller tradesmen have a net yearly income of but $400 to $480.

A curiously interesting trend has been seen in the improved position of the department stores. At the outset of the Nazi régime, they were subjected to severe "persecution" for two reasons. First, with both the large department stores and the chain stores, their very size and alleged unfair practices and advantages made them the target of a political régime wishing to protect the small retailer. (Germany had its Harry H. Stevens.)

### Ownership Changed

Secondly, in Germany, the non-Aryan ownership of many of these large stores made them the subject of Nazi attack. In many cases this ownership was arbitrarily changed. In other cases, however, pressure was brought to bear by employees afraid of losing their jobs, by manufacturers who stood to lose orders, and by banks with credits involved to maintain the large stores and even their non-Aryan ownership intact. Department store sales in Germany actually increased 8.5% in 1936 over 1935. But independent retail trade increased 10.3% in the same period. These figures might prove enlightening to Canadian businessmen.

Germany's automobile industry has enjoyed a remarkable advance in production, most of the output being for domestic sale.

Passenger cars increased from 43,430 to 240,292 between 1932 and 1936; trucks from 8,080 to 53,925 and buses and motorcycles proportionately.

To those of us in Canada who occasionally get depressed over the higher prices we pay for automobiles than is paid for the same cars in the United States, the following will prove heartening. I went into the Ford show rooms on Unter den Linden in Berlin and enquired the price of the standard two-door V8 model. It was 5,085 marks f.o.b. Cologne plus 140 marks for delivery in Berlin—or $2,090. But Ford makes a smaller car for Germany—a 34 h.p. four-cylinder "Eifel" model—which sells for $1,070.

Germany's cheapest car comes from the great Opel works (owned by General Motors Corporation) and sells for 1,450 marks or $580.

This account of Germany's industrial production brings us logically to the nation's newest effort, the "Four-year Plan" and all that it means internally and externally in Germany's, and to the world's future. This I shall discuss in my next article and will turn now to questions: Is Germany financially embarrassed? Is inflation inevitable? Is Germany headed for collapse?

### Doing the Impossible

One very well-informed foreign resident of Berlin said to me:

"By all orthodox standards, Germany has done and is doing the impossible. First, in 1933, she tackled unemployment, largely through government works either in the form of road building or placement in the Labor Service or as army recruits. Then, in 1935-36, her great rearmament programme got under way. Now there is the second 'four-year plan' which aims at essential raw material self-sufficiency. All this staggering programme has been largely made possible by government financing.

"The thing which we all underestimated was the staying power and resources of a dictatorship which organizes the whole state to its purposes whether by requesting the 'voluntary discipline' of the industrialist or the farmer in what he will produce, the banks or larger companies in what they shall invest or the legislative measures which make capital available for the state no matter who is affected."

It should be borne in mind that while Germany is "officially" poor in gold and foreign exchange reserve, her entire position is not known from the published information.

### Other Sources of Strength

Informed opinion takes into account these sources of gold and foreign exchange strength:

(a) In addition to the Reichsbank official gold reserve of 88,000,000 marks there is a fund of 142,000,000 marks of actually held or "managed" currency.

(b) 73,000,000 marks of gold are held by the Gold Discount Bank as trustee, formerly note cover of the now liquidated town banks of issue.

(c) A substantial unstated amount—estimated at 100,000,000 marks—of funds was delivered up following the death punishment decree of December, 1936, on all those who "smuggle property abroad or keep it there." This decree was followed by an amnesty to delinquents surrendering before Jan. 31, 1937, their foreign exchange balances hoarded at home or abroad.

(d) There are confiscated foreign currency securities—commandeered by the Reich so that they might be sold abroad to replenish the Reich bank's foreign exchange reserve. These securities are commonly called Germany's last national reserve, totalling in the end a presumed amount of 300,000,000 marks.

### State Intervention

I had an interview with one of Germany's highest ranking banking officials. He referred me first to a recent speech of Minister of Finance Count Schwerin von Krosigk from which I quote as follows:

"If one is asked about the most characteristic trait of our financial and economic policy during the last four years, I think it is the intervention of the State in capital investments in a manner unknown in the past.

"The state of our finances in 1933 nearly was hopeless . . . Want of capital in any form, no reserves, business working at a loss, deficits in all public budgets. There was no possibility for private economy to start a revival by its own initiative . . . The State had to step in and to bring into action the last reserve, namely the credit of the State.

"'In the economic sphere, conditions were favorable for a recovery, first because business had remained stationary for some time on a very low level, waiting for an opportunity to start a new upward movement. There was a great number of unemployed, abundant raw material stocks, unused capacity of our industry. In a word, everything was waiting for the spark to start the motor.

"This initial force could only be supplied by the placing of government orders and by direct investments of the State . . . There remained no alternative but the use of short-term public credit.

### Certain Amount of Daring

" . . . One way of financing involved a certain amount of daring as our investments were based on short-term State credit only, trusting that these credits might be refunded one day through a revival of private business, with the idea that partially they might be covered by increased State income and that partially they could be consolidated into long-term loans to be subscribed by the investing public out of savings. Today, I believe that the expectations we had four years ago have not only been fulfilled, but we may say without exaggeration that they have been surpassed by far."

Germany's plan naturally had to lead to an increase of public debts, but Germany today feels that despite the apprehensions that the system might lead to a swelling of the public debt to an exorbitant amount, there is reason today to feel reassured.

### Balance Sheet Improves

It is claimed that the relation between State investments and new debts has improved each year. That is to say, the increase of assets represented by new State investments is exceeding more and more the increase of debts.

What is the reason for this? First, higher taxes. The tax incomes of the Reich in 1932 and in 1936 were 6.6 billions and 11.5 billions. Reichsmarks, respectively. During the same period, expenditure in connection with unemployment has decreased by 1.5 billion Reichsmarks. In addition, taxes collected by the states and cities show an improvement. All this means an improvement of the public budget by about seven billions Reichsmarks annually.

This enormous sum has been used to cover the dificit, which all public budgets showed even in 1933. All public treasuries are now able, according to Count von Krosigk, to obtain the necessary funds and to present a balanced budget. The Reich was able not only to secure the service of its loans, but also to provide cash in the ordinary budget for expenditures in connection with the work creation scheme, which in 1933 was financed by borrowing.

### Business Liabilities Drop

Another tendency is pointed out by German bankers—the increase of the public debt has been accompanied by a heavy diminution of the liabilities of business. In addition, there has been an enormous and far-reaching liquidation of debts, leading to an elimination of many of the bad debts accumulated during the crisis, and part of which had drifted into the Reichsbank. Large amounts have been recovered by the Reichsbank, enabling this bank to replace credits frozen during the crisis by work creation bills.

Finally, to an increasing extent, Germany has been able to make use of this liquidity by absorbing funds from the money market through the issue of treasury bills and certificates, making the proceeds available for the financing of large schemes of public expenditures.

### Guard Against Inflation

The banking official I interviewed said to me:

"Our note circulation has increased only a little." (At the end of 1935 it was just over four billion marks and at the end of 1936 had increased to slightly under five billion marks.) "We have especially to guard against inflation, but the reserves of our Finance Minister have grown substantially."

I should like to interpret that the figures on tax returns given above are the only federal ones now published, no national budget now being made public annually.

Continued the banker:

"The Reichsbank has extended credit for rearmament but this does not mean inflation if prices are not allowed to rise. Strict control of prices has been maintained and, except where world prices have risen—e.g. textiles—those in Germany have remained stable."

In this regard it is interesting to quote the following office statistics which show that the general price trend is increasing, notably in food and clothing—the former beneficially to the farmer of course:

**WHOLESALE PRICE INDEX (1913-100)**

| Average | General | Agricultural | Raw materials & Semi-finished articles | Finished Products |
|---|---|---|---|---|
| 1932 | 96.5 | 91.3 | 88.7 | 117.9 |
| 1933 | 93.3 | 86.8 | 88.4 | 112.8 |
| 1935 | 101.8 | 102.2 | 91.6 | 119.4 |
| 1936 (Dec.) | 105.0 | 103.6 | 96.1 | 123.1 |

**LIVING COST INDEX (1913—100)**

| Average | General | Food | Housing | Fuel & Light | Clothing |
|---|---|---|---|---|---|
| 1932 | 120.6 | 115.5 | 121.4 | 127.3 | 112.2 |
| 1933 | 118 | 113.3 | 121.3 | 126.8 | 106.7 |
| 1935 | 123 | 120.4 | 121.2 | 126.2 | 117.8 |
| 1936 (Dec.) | 124.3 | 121.0 | 121.3 | 126.8 | 124.2 |

One characteristic of Germany's uneconomic effort to control prices arbitrarily is reflected in some instances in a lowering of quality of merchandise. In textiles, for example, there is considerable increase in the "cell wool" or "'artificial wool" in fabrics. I was told of one instance where price of the product was "maintained," but there was none of it to be had. The would-be purchaser paid a higher price for a substitute. Also in many cases, notably food, one cannot get as much of a given commodity as one needs or wants. The resident of Germany has to plan ahead for a dinner party.

It is pertinent to say, however—and I confirmed this from various sources—that the starvation stories one hears about Germany on occasion are incorrect or grossly exaggerated.

But to return to the financial and economic position. Perhaps it can be summed up by saying that the opinion of well-informed observers within Germany—including foreigners—does not coincide with the opinion of those looking at the situation from the outside. In other countries the economic breakdown of Germany has been forecast for several years. But the tax collectors and Dr. Hjalmar Schacht, the financial dictator of the realm, aided by the self-sacrificing co-operation of the people, have performed miracles. They may continue to perform miracles and keep Germany afloat. But a little less insistence upon self-sufficiency and the restoration of political policies that would invite foreign capital would make the going easier and the financial security of the nation greater.

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**Week in Wheat**

# Big United States Crop Knocks Prices Down

## European Buyers No Longer Worrying—U. S. Farmers Anxious to Get Rid of Wheat as Corn Crop Matures

From Our Own Correspondent

WINNIPEG.—Continued decline in wheat prices is due to developments in the United States. One of the largest wheat crops that country has grown is arriving at market in almost unprecedented volume. Prices there require the influence of large sales for export to balance arrivals, and although some exports have been made, the market is still seeking a basis on which large scale transactions are possible.

The bullish effect of Saskatchewan's crop failure has now been exhausted for some time. Continental observers note that the total export supplies available from North America are fairly large, and for the present at least, refuse to accept the idea of any extravagantly high premiums.

United States farmers are proving willing sellers. There is no scarcity complex in their minds, influenced not only by the large wheat crop, but also by satisfactory production of other grains, a heavy corn crop in prospect, and abundant pasturage. Present grain prices represent to them a highly satisfactory level. Canadian prices have been forced to follow United States down, and even to undergo a larger decline, for the Winnipeg market had previously been on a higher level.

World shipments continue to run at a low rate, little over six million bushels weekly, but much bigger volume soon seems certain.

### Unnecessary Fears

July wheat went off the board at $1.35 per bushel. This was about 20 cents below the peak price registered, and reduced the premium over October to approximately three cents. The decline represented to a considerable extent a reversal of the expected situation, which anticipated a scarcity of old crop wheat before the new wheat would be available.

It was also due to a much weaker general demand for wheat in July than had been expected, a demand which was checked sharply by the high market valuations placed on Canadian wheat for a time. Overseas buyers were as much impressed by the fairly large contribution to export supplies expected from the United States, as by the prospective deficiency in the Canadian crop. They refused to be stampeded into purchases.

Immediate needs were filled to some considerable extent by drawing on supplies afloat while purchase for deferred shipments were made with great hesitation. Some of these orders were placed in the United States, although even there only sparingly. A further influence in bringing the prices for cash wheat into fairly close relationship with the October was the development of an early harvest in a good deal of the West, making it clear that old stocks, even though the carryover is small, would be ample to take care of all actual current needs.

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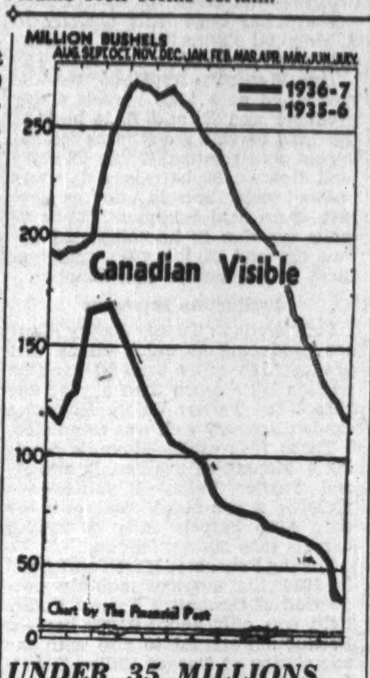



### UNDER 35 MILLIONS

Canada ended the 1936-37 crop year a week ago with less than 35 million bushels of wheat in commercial storage. This compares with over three times as much a year ago and close to 200 millions in 1935. The present carryover is slightly under the average for the years which preceded the accumulating policy first inaugurated by the wheat pools back in 1928.

Latest figures of visible and exports in bushels are as follows:

| July 30 | Week Previous | Last Year |
|---|---|---|
| 33,285,000 | 35,196,000 | 120,114,000 |
| **Export Clearances*** | | |
| Week of July 30 | Week Previous | Last Year |
| 2,025,960 | 2,260,888 | 6,191,175 |

*Plus U. S. imports.

### Tight on Rye

A tight situation in July rye, which went off the board at $1.60 a bushel, kept that grain at a big premium over wheat during the month, and nearly 70 cents a bushel over October rye. The tightness was caused by extremely small quantities available for delivery on the contract, causing embarrassment to elevator companies with small quantities scattered in different elevators and impossible to put in a delivery position. In addition, some spreaders were caught who had earlier sold rye against purchases of wheat, expecting the coarse grain to go to the normal discount under wheat.

The tightness was slightly alleviated by the marketing of a few cars of new rye by farmers who were fortunate enough to get the crop threshed and delivered in time to take advantage of the situation. In addition to the Canadian product, some rye was hauled across the border by United States farmers, and sold at a profit after paying duty, while a few carloads were also shipped by grain interests.

The total quantities involved in the situation were small, as only about 175,000 bushels were in store at the head of the lakes, with something under 50,000 bushels in country elevators.

• • •

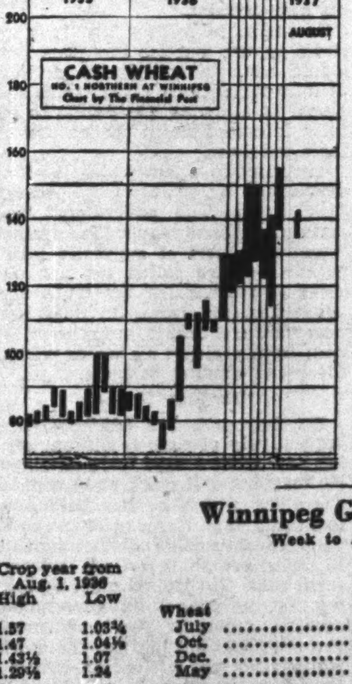
### Outlook For Durum

Just where Manitoba's durum wheat crop, which will be the second largest ever produced in the West, will be marketed, is a problem still unsettled. More than 20 million bushels may be produced. Farmers turned to durum wheat as being less susceptible to rust than bread wheats, and they found a market in Italy for practically their whole production. There it was used to supplement Italian domestic supplies of macaroni wheat.

During the past two years practically no business in this type of wheat has been done with Italy, and the Canadian production, owing to short crops in the United States, found a market there. Home production will satisfy the United States demand this year, and Canada is faced with the problem of re-establishing a market on the continent. Great Britain usually imports comparatively little durum.

Although Italy's wheat production this year is considerably larger than last year, and imports are expected to be comparatively small, it is possible that a few million bushels may be disposed of to that country. There is greater hope of disposing of considerable quantities to Germany. That country has always consumed a considerable quantity of macaroni products, although producing practically no wheat of the durum type.

## Wheat Prices




(Cash Quotations)

| | For Week Aug. 3 High | For Week Aug. 3 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| 1 Man. Hard | 1.41⅛ | 1.35⅛ | 1.45⅞ | 1.38⅝ |
| 1 Northern | 1.41⅛ | 1.35⅛ | 1.45⅞ | 1.38⅝ |
| 2 Northern | 1.37⅝ | 1.29⅛ | 1.42¾ | 1.35⅛ |
| 3 Northern | 1.33⅝ | 1.25⅝ | 1.39¼ | 1.31⅜ |
| 4 Northern | 1.27⅝ | 1.21⅛ | 1.33¾ | 1.26⅝ |
| 5 Wheat | 1.16⅞ | 1.11⅛ | 1.22⅞ | 1.15 |
| 6 Wheat | 1.10⅞ | 1.05⅛ | 1.16⅞ | 1.09 |
| Feed Wheat | .94⅞ | .89⅛ | 1.00⅞ | .93 |
| **Vancouver: Week to Aug. 2:** | | | | |
| 1 Northern | 1.32⅞ | 1.31⅜ | 1.40¾ | 1.30 |

Competitive Export Prices:

| August shipments: | Week to July 31 High | Low |
|---|---|---|
| No. 1 North. (Atlan.) | 1.59½ | 1.56¾ |
| No. 2 North. (Atlan.) | 1.55⅝ | 1.53¼ |
| Australian | 1.40⅛ | 1.36⅛ |
| Indian (new crop)† | 1.37 | 1.35⅝ |
| U. S. Hard Winters | 1.44⅝ | 1.42⅜ |
| Argentine (Rosafe)* | 1.32⅝ | 1.30 |
| Rumanian | 1.32¼ | 1.30⅝ |

*New crop Jan.-Feb. †July.

## Winnipeg Grain Futures

Week to Aug. 3, 1937

| Crop year from Aug. 1, 1936 High | Low | | Open July 28 | High for week | Low for week | Close Aug. 3 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| 1.57 | 1.03¾ | July | 1.38⅝ | 1.40⅞ | 1.35⅛ | ..... |
| 1.47 | 1.04⅛ | Oct. | 1.22¾ | 1.33⅛ | 1.27 | 1.27⅛ |
| 1.43½ | 1.07 | Dec. | 1.28⅞ | 1.30 | 1.23½ | 1.23⅝ |
| 1.29⅛ | 1.24 | May | ...... | 1.29⅛ | 1.24 | 1.24⅛ |
| | | **Oats** | | | | |
| .70 | .43⅝ | July | .59¾ | .59¾ | .52½ | .... |
| .58½ | .41 | Oct. | .49¾ | .49¾ | .45 | .45 |
| .54⅞ | .38¾ | Dec. | .48 | .46⅛ | .41⅛ | .41⅛ |
| | | **Barley** | | | | |
| .83½ | .56⅝ | July | .69 | .71¼ | .65 | ..... |
| .75¼ | .51 | Oct. | .65⅛ | .65⅛ | .58¾ | .59¼ |
| .70⅝ | .57⅝ | Dec. | .63¼ | .63¼ | .57⅝ | .57½ |
| | | **Flax** | | | | |
| 2.05 | 1.60 | July | 1.76½ | 1.78 | 1.76½ | ...... |
| 2.01 | 1.61 | Oct. | 1.78 | 1.80 | 1.74¼ | 1.74⅝ |
| 1.86¾ | 1.70¼ | Dec. | 1.76⅝ | 1.76¾ | 1.73½ | 1.73½ |
| | | **Rye** | | | | |
| 1.83½ | .78¼ | July | 1.50½ | 1.62½ | 1.50½ | ...... |
| 1.09½ | .75⅝ | Oct. | .93½ | .95 | .87¾ | .87¾ |
| 1.06½ | .74 | Dec. | .91½ | .92 | .84¾ | .84¾ |

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### To Spend $100,000 On Chibougamau Road

Of special interest to mining companies operating in the Chibougamau area of Quebec is the announcement by Hon. Onesime Gagnon, Quebec minister of mines, game and fisheries, that the government has allotted $100,000 for improvement of the Chibougamau mining region road. Mr. Gagnon added that all floating bridges spanning the road would be replaced by permanent structures.

**Week in Mining**

# Gold News and Views Notably Less Gloomy

## Royal Bank Letter Advances Interesting Conclusions —Gold Flow Drops Off—Who Caused $35 Gold?

Since the period a few weeks ago, when the gold question vied with the weather as a popular coffee-hour topic of general conversation, debate has cooled off considerably. The result is that the public at large has an opportunity of gaining a less clouded view of the situation.

One reason for waning popular interest in the gold problem is that the crisis appears to have been passed, at least temporarily. Evidence of this is the news that the three-year-old inflow of gold into the United States has dropped from an average of $6.4 millions daily during the first half of the year, to an average of $4.1 millions in July. Some authorities even predict that with reviving confidence in France, and the sale of gold to China, and South American republics, an outflow of gold from U.S. will actually be witnessed.

The Royal Bank of Canada devotes its monthly letter to consideration of the gold question, and advances several rather arresting conclusions.

One of these is to the effect that the sterilising of huge blocks of gold in the United States may not be such a bad idea after all. The letter points out that no country began to recover from the depression until the money situation was adjusted, and in all cases, recovery began more or less promptly when the banks were provided with surplus reserves. This, the letter states in effect, suggests that it is worthwhile to accumulate a gold reserve outside the banking systems of the world, which may in the future be used as "the shock troops" to attack the next serious depression.

The cost of sterilizing this gold is not comparable, it is pointed out, with the cost of a depression.

### *Thoughts on Price Reduction*

As to possibilities of price reduction, the Royal Bank, in its letter, concludes that a moderate decrease in the price of gold would produce a lack of confidence in the situation, which would greatly add to its difficulties. It is thought that only a drastic reduction to the old price of $20.67 per ounce would eliminate the general fear that further changes were probable. But such a reduction, the letter points out, might bring about another depression impossible to be borne by a world not yet recovered from the last one.

In other words, while conceding complexities of the present situation, the writer of the bank's letter does not appear to consider that the way out lies in gold price adjustment.

* * *

### *Ilsley on Gold Prices*

In opposing the plea of the gold mining industry for a change in the depletion allowance which the federal government concedes the mining companies and shareholders, Hon. J. L. Ilsley, minister of national revenue, is quoted as saying that the gold industry throughout the depression had not only enjoyed a guaranteed market for its product but had the value of its product increased by some 70% "by government action."

Mining men have, with some justification but with apparently little success, consistently fought this rather widespread view. In the first place, they point out, it is questionable whether the price of gold can be said to be "guaranteed." Present uncertainties surrounding the future price of the metal are sufficient indication of the basic lack of stability which supports the price.

Most important, however, is the suggestion by Mr. Ilsley that the Government has, in some mysterious manner, already made great concessions to the industry by raising the price of gold from $20.67 an ounce to $35 an ounce. The facts are, of course, that action by the Government of which Mr. Ilsley is a part, had nothing whatsoever to do with the increased price of gold.

### *Miners Drop C.I.O. Demands*

Most of the striking Cariboo, B.C., miners have voted to return to work, and the initial effort of the Committee for Industrial Organization to gain dominance of the Canadian mining industry may fairly be said to have met with the wholesale defeat predicted for it.

Cariboo miners have had an expensive lesson. Already receiving year-round employment at rates of pay higher than in most industrial plants, the men can now see just how good a friend this organization is to the mining worker. To lose over two months' pay is bad enough. More regrettable still is the fact that it is doubtful if the Island Mountain operation will resume until spring of 1938. The company, which was operating on a narrow margin of profit, has been put to considerable expense and loss because of the strike, and is understood to be seriously debating the advisability of postponing resumption.

Because of the fact that many of the men were ignorant of the organization with which they were affiliating themselves, their costly error may be understood. With the Cariboo example before them, however, other Canadian miners will have less excuse.

* * *

### *Index to Mining Stocks*

The dullness noted in the latter part of last week continued, with the result that the Dominion Bureau of Statistics' daily index of 24 mining stocks declined from 143.5 on July 22 to 141.7 on July 29. There was no outstanding feature, and losses in both gold and base metal groups were of a minor nature. Golds were quite steady, moving gradually upward from 109.2 on July 23 to 109.6 on July 28, but weakness in the junior issues brought the index to 108.7 on the final day. Despite London's moderate optimism toward metals and strength in International Nickel, base metals moved irregularly downward from 281.4 to 278.2 between July 23 and 29. The weekly average for golds declined from 110.2 to 109.3 for the week ending July 29 and base metals from 282.6 to 280.3.

## News Concentrates

**Altura Gold Mines** in Red Lake area, has carried work on the 250-ft. level 88 ft. east of the shaft and 50 ft. to the west, it is reported. Only short sections of the vein have so far been exposed, the shaft having been sunk on the vein and a pillar left around it. Assays are said to run from 35 cents to $77.

* * *

**Central Duverny Gold** in Duverny twp., northwestern Quebec, is advised in a progress report from Frank Williams, engineer in charge, that 6,535 ft. of core had been drawn from 13 holes during the diamond drilling campaign inaugurated in the winter and spring of this year. Geophysical survey has indicated a north-south shearing 1,100 ft. west of the granodiorite mass, and also that a pronounced east-west shear zone exists 2,500 ft. to the south of the camp. Due to the nature of the deposit, the company has decided to take a large number of bulk samples and treat about 100 lb. of pulped material from each sample in a small amalgamating mill.

* * *

**Clark Gold** in Kenora mining division of northwestern Ontario, reports that 59 bags of ore from the No. 1 vein on the 125-ft. level assayed $47.78 in gold per ton at Temiskaming testing laboratories. Net dry weight of the ore was 3,788 lb. R. H. Miner, president, considers the above results important as showing that the No. 1 vein carries good values. "This compares very favorably with our channel samples taken over a length of 30 ft. In fact, these are somewhat better than the channel assays showed," Mr. Miner comments.

* * *

**Luxor Red Lake Mines** northeast ... McKenzie Red Lake in Red Lake ...a, Ontario, has trenched and ex...ined seven quartz veins 4-7 ft. ...de, in addition to several well-...neralized feldspar-porphyry dykes ... to 90 ft. in width. The company ...s let a preliminary diamond drill...g contract following the recom...endation of the engineer in charge.

* * *

**Doreva Gold Mines** in Bousquet twp., Quebec, is pushing shaft sinking to the 300-ft. level, having secured encouraging results at the 150-ft. level. As soon as the second level is established, the company plans to crosscut to veins 1, 2, 3 and 4. So far, over 300 ft. of crosscutting has been done on the 150-ft. level, and ore encountered is said to be high grade. Assays are being taken and values are expected to be available shortly. A working shaft has been started on the former Sagamore property, now part of Doreva's Bousquet twp. holdings.

* * *

**La Reine Gold** will sink a shaft immediately on its property in La Reine twp., northwestern Quebec. Shaft will be put down about 100 ft. north of the main vein and the first level cut at 150 ft., objective being 165 ft. depth so that 15 ft. will be allowed for the sump. It is estimated that two months will be required to complete shaft. Camps have been completed to accommodate a crew of about 30 men. Company reports that all equipment now being bought for shaft sinking and crosscutting is financed.

* * *

**Southern Golds** reports that underground development at its South Carolina property is steadily improving the ore picture. The mine superintendent states that if the work continues to yield satisfactory results it would be advisable to sink a new large shaft in the centre of the ore zone, in which four distinct ore zones have been established. In conjunction with the current drill campaign from the underground workings, three raises are being driven from the 135-ft. level on No. 2 vein. This work, it is reported, continues to yield ore comparable to that opened during drifting.

* * *

**St. Anthony Gold Mines** — By agreement dated Dec. 30, 1936, subject to the authorized capital being increased to 4,000,000 shares or more, an option was granted to Dec. 31, 1937, upon 350,000 shares at 20 cents per share, and 350,000 shares at 25 cents.

* * *

**Sudlac Gold Mines** reports that a diamond drilling outfit has left for the company's property in Garnet twp., Sudbury mining division. Sudlac was formed to take over the holdings in Sudbury and Little Long Lac areas formerly held by Garnet Gold Syndicate. Sudlac is planning to sink a series of shallow holes to check the results of last summer's work, when an average of $21.36 in gold per ton was secured after 22 channel samples had been taken across a 35 ft. shear zone in 3-9 ft. widths.

# Oil Industry Interference Threat Lifted

## Aberhart Denies Report Government to Take Bigger Slice

### OUTPUT RISING

From Our Own Correspondent

CALGARY.—Turner Valley oil men and investors in Alberta oil stocks greeted with satisfaction an announcement by Premier Aberhart that the Alberta Provincial Government does not plan to "interfere with the Alberta oil industry" or to increase the government tax on oil production.

Reports current in eastern Canada that the Alberta Government intended to boost the government royalty on oil production from 10% to 25% to aid in financing a Social Credit scheme, were believed to have been responsible in part for a depressed oil stock market of late.

There has been little activity in Alberta oil stocks despite remarkably good news from the field.

The Monarch Royalties well is now rated as a 1,200 barrels a day producer and B. and B. is back to the 1,000 barrels a day class following an acid treatment. The Century well flow of 80 barrels a day was boosted to 350 barrels a day as a result of an acid treatment. Some 25 wells are due to be completed before the end of the year, many of them in September and October.

**Production Increases**

Four wells in Turner Valley alone are producing as much oil as that produced by more than 50 naphtha wells a little more than a year ago before the Turner Valley Royalties crude discovery well was completed.

These four wells—Royalite-Sterling 4, Monarch Royalties, B. and B., and Turner Valley Royalties—are yielding a combined total of more than 4,000 barrels daily or 120,000 barrels in a 30-day month.

During February, March and April in 1936, the average monthly production of the entire Turner Valley field was only about 92,000 barrels. Production started to rise with the completion of Turner Valley Royalties in the middle of June, 1936.

Apart from these four wells, there are a number of other crude producers in Turner Valley, each of them larger than any one of the naphtha wells producing before the discovery of the crude oil area of south Turner Valley in 1936.

The Foundation well is maintaining a production of 500 barrels daily. Westside is yielding about 450 barrels daily. The Century well is yielding 350 barrels a day, as is Royalite-Sterling Pacific 3.

**Near-Producers**

Close to production are Richland 3, which has 3,000,000 cubic feet of wet gas at the present time, and Royalite-Sterling Pacific 5 is also deep in the limestone. Next well to strike the lime will be Share Royalties, a strike of the producing horizon being expected any day. In September and October, it is expected, wells will be completed three or four days apart.

When even three or four more large crude wells are completed in Turner Valley, freight rates on oil shipments will be an important matter of concern to Turner Valley operators. At the present time Turner Valley crude is being shipped all over Alberta, eastern B.C. and the western fringe of Saskatchewan. A market saturation in Alberta will be reached soon, it is anticipated.

Alberta crude will then have to be shipped farther and farther eastward. It is considered probably that Turner Valley crude will be shipped as far as Toronto and other eastern Canadian cities in several months. Some crude is even now being shipped as far east as Moose Jaw, Saskatchewan.

# God's Lake Gold Boosts Tonnage

## Improvement in Earnings Shown in Second Quarter

Notable improvement is shown in the second quarter results from God's Lake Gold Mines, in Manitoba. During the three months net operating profit amounted to $10,993, making a total for the half year of $16,643.

The company reports that drifting on the 4th level has advanced 508 feet with the face still in ore grading 0.40 per ton across 4.9 feet.

Installation of the new machinery is now nearing completion. The mill rate during the first half of July was stepped up to 188 tons per day, as compared with 151 tons average during the first half of the year.

**Operating Statement**

| | 3 mos. ended June 30 1937 | 6 mos. ended June 30 1937 |
|---|---|---|
| | $ | $ |
| Production | 124,845 | 252,157 |
| Less: Oper. exps. | 113,852 | 235,514 |
| Net oper. profit | 10,993 | 16,643 |
| Tons milled | 13,753 | 27,347 |
| Average recovery | $9.08 | $9.22 |
| Tons milled per day | 151 | 151 |

# Central Cadillac Reports on Values

R. C. Bryden, consultant for Central Cadillac Gold Mines, states in his latest report on this Cadillac twp. property that in drift 1-2 E. 140 ft. of material has been exposed which, "although it does not assay except erratically will, I am sure, make a good grade of ore over an as yet undetermined width." Recent slashing, he says, shows visible gold over 15 ft., with a narrow band of barren iron formation in the centre. There is considerable visible gold on both sides of the band of iron formation occupying the central part of the 1-2 E.

A short crosscut will be driven south from the face of the 2-2 E. to examine the values found in underground drill hole No. 3. Another will be driven along the line of underground drill hole No. 6 to cut some quartz found in that hole. Drift 1-7 E. has been started. "You will be interested to know," the report concludes, "that 1-7 E. is directly in line with values up to $73 cut in No. 2 surface diamond drill hole."

# Is it Bureaucracy Or Just Horse Sense?

## An Attempt to Assess the Pros and Cons of Paternalism in Securities Legislation

By WILFRID SANDERS
Mine Editor, The Financial Post

For approximately five years now, the Canadian mining industry has been travelling along a new road.

To some, the signposts along this route read "To bureaucracy, and the complete stifling of personal initiative." To others, the signposts point to a new promised land, in which the mining speculator and investor will find in the promoter his best friend; in which nobody will be cheated, and everybody will get a run for his or her money.

The trend toward tighter securities legislation for the protection of investors and speculators has been one of the most important results of the 1929 market collapse, as far as the mining industry is concerned. In mining, the movement has been accelerated by subsequent booms and slumps in the market. While the market line has been jumping up and down the trend line of securities legislation has been growing steadily.

Where is the road leading? Have we already arrived, as some critics claim, at a point where the financing of new prospects has become so impossible as to threaten the future of the industry? If so, how can we turn back?

In seeking an answer to these questions, it might as well be admitted primarily that like temperance legislation, it is a subject on which the public can never be expected to agree. The extremes represented by the racketeer who resents any sort of government regulation, and that of the old lady who would like the government to select and guarantee every mining stock she buys, are too far apart to ever be compatible.

In studying the pros and cons of the present stage reached by government efforts to give the investor and speculator a square deal, such extreme opinions will have to be waived if any definite conclusions are to be arrived at. The most logical approach is to study the actual changes that have been wrought since governments in Canada, as well as elsewhere, embarked on their programme.

**Then and Now**

In seeking to control the issue and sale of securities, certain definite steps have been taken in the past five years which make important changes in the mining picture. One of the most important of these is in connection with vendor shares, or shares given by a mining company to the individual or group in return for the property.

A few years ago, the following was not only possible, but quite common. A promoter would pay a prospector a few hundred dollars to stake a property of dubious value in a camp which at the moment was in the public eye. A three-million-share mining company would then be formed to acquire this property, and the "vendor" would receive, say, 1.5 million shares of the company in return for the property. Then would follow the old game of "making a market," and by adroit salesmanship, via the post-office and the telephone, stock would be sold at high prices. Some of this stock would be treasury stock for which the promoter paid a few cents a share. Some of it would be the "vendor" stock, for which the promoter had paid only the small initial sum to the original prospector. The treasury of the mining company, by this sales campaign would be enriched by a few thousand dollars, sufficient perhaps to do a little drilling. The promoter would receive considerably more than the company itself.

**Bureaucracy?**

This is a simplified case history of many mining promotions a few years ago. Let us apply it to the present background of "bureaucracy," and see how far such a scheme would get.

In the first place the "vendor" could not receive 1.5 million shares for an undeveloped property, the maximum now being 33 1/3% of the authorized capitalization. In addition, the vendor shares could not be sold to the public until the property had been developed to a stage approaching that of production. With this stock off the market, the price of the publicly issued stock would be able to represent, at least roughly, and with due regard to public optimism, developments at the property. Certainly, the "vendor" or promoter could not sell it on his own account.

Secondly, in selling the treasury stock to the public, the promoter would have to conform to certain definite regulations, all of which are aimed at allowing the public to be fully informed as to the nature of their purchase.

Therein lies a fact which is often overlooked by critics of the present regulations. The government has certainly passed regulations against "suppressio veri et suggestio falsi" as the Romans called the age old game of suppressing the truth and suggesting the false. It does not, however, and cannot, stop the salesman from praising his wares within the broad confines of truth.

**"He May Not—"**

He may not, for example, talk suggestively of assays, without saying how those assays were obtained. He may not sell stock at 50 cents a share for which he has paid only five cents. The treasury of the company must receive a minimum of 15 cents per share on all treasury stock sold. The public may, by asking, or by consulting government records, ascertain just how much the promoter did pay for the stock. He may not use misleading excerpts from the reports of engineers. In selling the stock he may not make use of the telephone. It was not so many years ago that Toronto was the centre of "boilershop" operations whereby the public was mulcted of many thousands of dollars via batteries of high pressure telephone sales artists.

Most of these changes will be ancient history to Post readers. They must, however, be reviewed if one would judge fairly the net result on the mining industry of what is damned by some as being bureaucratic.

The two broad objectives of these changes are fairly apparent, namely, that the public when buying will be in full possession of the facts (if not of their faculties), and secondly, that the money so raised shall, in large part, be spent on development of the property.

These are the major regulations passed by the Securities Commission in Ontario. They are the "red tape" which, according to some critics, is stifling the development of mines.

In devising them, the advice of mining engineers, prospectors, promoters and mining newspapermen has been sought, a step which is hardly typical of bureaucracies. That the business of financing mines is the cleaner for their enforcement, seems self evident.

**Slump World Wide**

It has been claimed that these regulations are responsible for the present lull in the mining market. It need only be recalled that the present inactivity of gold and other mining shares is world wide, and includes South African mines to see the absurdity of such a claim. In addition, most of the regulations were in force during times of the greatest mining activity.

The most effective criticism of the securities regulations centres around the fact that in Ontario, Quebec, and up until recently in British Columbia one man has widespread powers to make regulations and enforce them. The principal of such a situation is not invulnerable, and the fact that the present incumbents have acted within reason does not alter the fact that their successors may not. This is a knotty problem, and it may be that one-man control is a necessary evil. Certainly the situation would be but little improved by substituting a board of four or five men. Fortunately, to date, the advice of mining men and securities experts has been generally utilized, and to this extent, has been in the nature of a safety valve.

The public, as a whole, will probably always dream of getting rich overnight, and mining, because of the fact that it has actually made a few people rich, will always be one of the big outlets for these dreams. No amount of legislation can change these facts. In the meantime, the general trend throughout Canada toward government supervision and regulation the issue and sale of mining stocks has been a forward step. While the goal is still distant the mining industry has gained, rather than lost.

# Sheep Creek Has Good Year

## Ore Reserves Well Maintained—Earnings About Five Cents a Share

Sheep Creek Gold Mines, producing gold mine in the Ymir-Sheep Creek district of British Columbia, in its report for the fiscal year ended May 31, 1937, shows a net profit of $95,075 or approximately five cents per share. Details of the profit and loss account are given below.

Ore reserves at the end of the fiscal year stood at 67,902 tons, of 0.57 ounce per ton grade, H. E. Doelle, superintendent, estimates. Of this tonnage, 14,716 tons of 0.20 ounce grade is blocked out on the Queen vein, and 53,186 tons of 0.63 ounce grade is partially blocked out on Hideaway vein.

Highlight of development results appears to have been obtained from the Hideaway vein, parallel to and 800 feet south of the Queen vein. It was intersected by a crosscut from the 5th level and drifted on for a total length of 1,050 feet. A crosscut from the 7th level also encountered the vein. Commercial values were obtained on both levels. The Hideaway vein is rapidly replacing the Queen vein as chief source of millfeed. During the year the mill handled an average of slightly over 150 tons per day, milheads averaging .299 ounces.

At the end of the fiscal year, the company's balance sheet showed current assets, exclusive of bonds, of $155,416, of which $65,145 was in cash. Current liabilities amounted to $86,317.

**Profit and Loss Account Year Ended May 31**

| | 1937 |
|---|---|
| | $ |
| Proceeds from bullion | 565,855 |
| Proceeds from slag shipments | 792 |
| Misc. earnings | 3,433 |
| Gross income | 570,080 |
| Less: Mining & milling costs | 295,814 |
| Gen. admin. & office costs | 13,065 |
| B. C. mineral taxes | 9,711 |
| Operating profit | 251,490 |
| Less: Depreciation | 16,906 |
| Depletion | 106,782 |
| Income taxes | 32,727 |
| Net profit | 95,075 |
| Earnings per share | $0.05 |

# Gull Kirkland Plans Further Exploration

Gull-Kirkland Mines contemplates arrangements to provide the company with additional funds for further development work as recommended by M. B. R. Gordon, says C. F. Saunders, secretary-treasurer, in a notice to shareholders.

In an independent report, Mr. Gordon states: "I believe that the most valuable portion of your property has never been prospected either by diamond drill holes or otherwise." He is of the opinion that the main Gull Lake fault runs through the southern part of Gull-Kirkland's holdings and that a north-south fault junctions with the main fault, which runs east-west. Diamond drilling is recommended.

The report from Mining Research Corporation did not contain any recommendations of further work on the property, and inasmuch as one-half of Gull-Kirkland's property is yet to be explored the directors engaged Mr. Gordon to examine it and submit a report.

# Mining Corp. Reports on Properties

## Laguna and Gordon Lake Bright Spots in Picture

### NORMETAL READY

Mining Corp. of Canada, holding and investment company, has issued a summary of developments at the corporation's various properties for the first half of this year.

At Laguna Mines, in Manitoba, value of bullion produced from 13,648 tons of ore milled was $243,575. Cost figures for June are not yet available, but are estimated by J. H. C. Waite, president, at around $190,700 including current development. The mill, designed for 50 tons daily, is currently handling about 83 tons daily, with 99% extraction.

Ore reserves have been maintained, and while development results on the 875- and 1,000-foot levels to date have not been as favorable as on the two levels above, geological conditions are similar to those on the upper levels, and the vein is strong. Preparations are under way to sink to the 1,250-foot level.

**Quebec Prospect**

Normetal Mining Corp., copper and zinc prospect in Abitibi county, Quebec, is ready for production, and the mill, with an initial capacity of 250 tons daily is nearing completion. Mr. Waite reports that satisfactory arrangements have been made for the sale of copper and zinc concentrates.

Base Metals Mining Corp., lead-silver-zinc prospect near Field, B.C., was reopened in April, but development work has added little to ore reserves. A total of $28,502 has been spent on the property during the period under review. In order that the ore in the Kicking Horse mine, which is situated high up in the mountain on the north side of the valley, may be transported to the mill, an aerial tramway is being built. This ore, which is lower grade than the Monarch, can be treated at a profit at lead and zinc prices slightly above current levels, the management believes.

**New Find Explored**

At Gordon Lake, in the North West Territories, diamond drilling of the discovery vein indicates an ore shoot with an average value of 1.45 ounce gold per ton, a width of six feet for a length of 250 feet. Mining plant for sinking a shaft to 500 feet has been ordered. A new find of apparent importance has been made on a claim in this group about ¾ of a mile southwest of the discovery vein. It is being explored by diamond drilling, one hole having intersected nine feet of vein material assaying 2.16 ounces gold per ton.

The corporation owns a substantial but unstated interest in Territories Exploration Ltd. which is prospecting in the North West Territories.

Diamond drilling of the claims in Senneville twp., Que., gave negative results. Extensive drilling was done on the property of Bidlamaque Gold Mines, in Quebec, but results were disappointing, and options have lapsed.

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*Notice to Shareholders*
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Subject to ratification at the forthcoming Special Shareholders' Meeting to be held in Room "G," King Edward Hotel on Tuesday, August 10, 1937, certain rights will be offered to shareholders of the company.
These rights apply only to shareholders of record August 10, 1937, and holders of street certificates are therefore advised to have their shares registered in their own names prior to that date.
A. JACKSON,
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# Siscoe Gold Profits Higher

## Earns 13.84 Cents Per Share for Half Year — Up from 12.22 Cents

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines' net profit for the six months ended June 30, 1937, totalled $643,302, equivalent to 13.84 cents a share. This contrasts with $568,132 or 12.22 cents a share for the corresponding half of 1936.

Gross income at better than $1.3 million was $151,787 higher than last year and operating costs showed a corresponding increase, leaving operating revenue of $817,551, as against $724,769 last year. Depreciation and taxes were both higher than a year ago at $71,415 and $102,834 respectively.

**More Tonnage Milled**

A total of 94,322 tons of ore was milled during the period under review as against 83,527 tons in the same period in 1936.

A summary of earnings for the six months ended June 30, 1937, with comparative figures for the same period last year follow:

Six Months Ended June 30

| | 1937 $ | 1936 $ |
|---|---|---|
| Gross income | 1,350,368 | 1,198,581 |
| Operating costs | 532,817 | 473,812 |
| Operating revenue | 817,551 | 724,769 |
| Depreciation | 71,415 | 64,150 |
| Balance | 746,136 | 690,619 |
| Federal & prov. taxes | 102,834 | 92,487 |
| Net profit | 643,302 | 598,132 |

# Inco Buys Site At Port Arthur

## Pays $250,000 For Lake Shebandowan Claims Formerly Optioned

From Our Own Correspondent

SUDBURY.—In an official statement by Donald MacAskill, general manager and vice-president, The International Nickel Co. has confirmed the purchase for $250,000 of what is known as the Lake Shebandowan property, on which it has had an option. No development is planned at present.

The vendors of the property are Julian G. Cross, John Cross and Thomas Falls, of Port Arthur, the latter owning a small interest. The group comprises 12 claims, located on the south side of Shebandowan Lake, west of Port Arthur. They were originally staked over 20 years ago and had several owners before they came into the possession of the Cross brothers. At various times they have been optioned to Bethlehem Steel Corp., Mond Nickel Co., Sudbury Basin Mines and Duluth interests.

Minerals found on the property are said to include nickel, copper, silver, gold and platinum.

## Thompson Cadillac Sells Optioned Shares

From Our Own Correspondent

MONTREAL.—Thompson Cadillac Mining Corp. has advised the Montreal Curb Market that 50,000 shares of its capital stock have been subscribed for and issued at 50 cents a share. This brings the number of shares outstanding to 3,055,000.

*TO THE MINES*

To open promising mining areas and provide employment, Dominion and provincial governments are co-operating in pushing low-cost roads into the northern areas. About 50 new roads are under construction in Ontario, about the same number in Quebec, and others in western Canada. Typical of the country through which the roads must pass is the scene above in northwestern Ontario.

# Frontier Roads Plan Cutting Mining Costs

## Dominion and Provinces Share Cost of Transportation Routes — Freight Cut $80,000 Annually in Pickle Lake Region

By THOMAS C. THOMPSON

Where airplanes have been speeding the modern gold seeker to northern areas of the Canadian pre-Cambrian shield in a few hours roads are coming back into their own.

From Quebec to the Northwest Territories and on new mining frontiers of British Columbia, hundreds of new roads are being pushed through bushland and muskeg under the Dominion-provincial scheme of providing promising mining regions with low-cost transportation. The plan, now in its second year, is dotting the map of northern Canada with new roads and clearings, reducing mining freight costs as much as 50%, providing needed employment to hundreds of Canadians, and speeding the development of newly discovered areas.

Since a gold strike means a gold rush in the modern manner—by airplane—speed is the essential factor in rushing stakers into a new camp. A few pounds of bacon, beans and flour, a prospector's pick and a box of dynamite are placed aboard the 'plane and the prospector is on his way.

Until last year, however, fuel supplies, heavy machinery, men and materials had still to be flown into many of the new Canadian gold camps. Costs of airplane freighting are high, and companies found the freight item in some cases pushing development costs to almost prohibitive levels.

To meet the situation, and to provide employment, the Dominion and the provinces last year established the "mining transportation programme," appropriated a total of $2.2 millions for new roads into the mining areas, and appointed federal inspectors to collaborate with highways and mines department in each province.

Hundreds of new roads, built at low cost and designed to meet pioneering conditions, are the result. Many of them will later become parts of improved road networks through the mining camps of the future; others may be abandoned where the areas fail to fulfill early indications.

Under the plan launched a year ago, the Dominion Government provides two-thirds of the cost, with the province paying the remaining third. In the 1936 season of about four months, the first operation of the plan, the Dominion appropriated $1.5 million, to be augmented by $750,000 from the provinces, and about the same amount is available for the 1937 programme. Ontario, Quebec and British Columbia are the areas in which most of the new construction is taking place and in Ontario an actual expenditure of about $515,000 is reported for the year ended March 31, 1937. New road construction to about the same amount was undertaken in Quebec.

**50 Projects in Ontario**

Ontario has some 50 projects under way or completed, in which new roads are being built for distances up to 30 miles from existing highways and older trails are being converted into winter freight roads.

The secondary object of the plan, to provide employment, is illustrated in the case of Ontario by the fact that some 700 men are now employed, many of them formerly registered on provincial or municipal relief rolls.

To achieve the three purposes of mining development, road construction and increased employment, provincial highways departments collaborate with inspectors from the federal department of mines in selecting a programme under the appropriation available. The problem of each area is considered separately. Existing provincial highway and mines departments are the machinery through which the work is administered, and payrolls are arranged to give first employment opportunities to married men formerly on relief.

Under the 1937 allocation of some $430,000 for Ontario, of which about $330,000 is provided by the Dominion Government, single track roads, about 15 feet wide, are being built in the Red Lake, Pickle Lake, Woman Lake, Kenora and other areas. Some are considerably wider than 15 feet, graded, levelled or gravelled where materials are available. Others are sand roads, filled muskeg, or roads on which crushed stone is used, but are designed to meet existing or future requirements. Against the cost of modern highways, ranging from $10,000 to $30,000 a mile, some of the new mining roads cost as little as $7,000 a mile.

**Cutting Freight Costs**

One of the results obtained by the scheme is the 26 miles of road from Doghole Bay to the Pickle Crow and Central Patricia mines in the Pickle Lake region of Ontario. The mines are about 150 miles north of the railway station of Savant Lake on the C.N.R. and until last year about 4,000 tons of freight were hauled annually over winter roads and across the ice on the lakes, at a cost of between $50 and $60 a ton.

A special agreement was made between the mines and the provincial and federal governments for a road fom Doghole Bay, end of the water route from Savant Lake, to the properties, to cost $175,000 for the 26 miles length. The road was started last autumn and is now completed. About 80 men were employed and of the total cost, $150,000 was paid by the governments and $25,000 by the mining companies.

The result was a cut in cost of freight from $50 to $30 a ton and a total saving of about $80,000 a year to the mines.

In most cases, however, mining companies are not contributing to the cost of new roads, chiefly because the newer and smaller companies operating in new areas are financially unable to do so. Larger mining companies with ample resources in some instances negotiate with a provincial goverment and agree to pay a share of the cost but the government acts only when the area's mining prospects appear to warrant the expense.

**Maintenance Costs**

Maintenance costs too are a factor of importance arising from the new programme. Special agreements are made with mining companies to provide maintenance and in one case the freight-truck contractor levies a special toll on all freight hauled to the mines. Paid into a central maintenance fund, the tolls take care of maintenance for three years and at the end of that time a new agreement will be negotiated. In many instances, however, the governments concerned are leaving maintenance costs to take care of themselves on the theory that if a mining area responds favorably to development, it is obviously to the advantage of the mining interests concerned to maintain their own transportation facilities. Similarly, if the area proves disappointing there is no longer need for a road in any case and it will be abandoned after serving its purpose.

Largest single project in Ontario this year is at Gold Pines, on the water route into Red Lake. A road is being pushed through from Gold Pines to the Argosy property via J. M. Consolidated and Hudson Patricia.

Both J. M. Consolidated and Argosy are at the milling stage. Both properties are operating Diesel engines to supply power, and the nearest hydro power site is at Gold Pines, 80 miles from the Argosy property. Each day in summer a huge Junkers airplane lands at Argosy with drums of fuel oil, to operate the Diesels and increase the winter storage tank supply. The freight cost of flying fuel oil to Argosy from Gold Pines is about $60 a ton, although along the water route from Hudson to Gold Pines, also a distance of about 80 miles, the same oil is transported at a cost of about $7 a ton.

**$150,000 in Two Years**

To meet these conditions the Dominion and the Ontario governments spent about $80,000 in clearing a winter road from Gold Pines to the J. M. Consolidated property last year and another $70,000 will be spent this year to extend it from J. M. Consolidated to the Argosy. The result will be that operating costs at the mines, formerly about $160 per horsepower using Diesels, after freight charges are paid for fuel, will be substantially reduced.

Nor is that the full extent of the project, for the clearing is being made with a width of 100 feet to facilitate any future development of a power line that may be carried along the approximate route of the new road from Gold Pines. Should power be extended to the properties, Diesel fuel costs of $160 per horsepower would be reduced to electric power costs of around $65 per horsepower.

Similar cost savings are accompanying new mining road projects in Ontario. In Michipicoten, Long Lac, Matheson, Hudson and nearly 50 other areas the plan will be extended this season.

# *Mines Take Out Quebec Papers*

From Our Own Correspondent

MONTREAL.—Premier Maurice Duplessis' dictum that companies utilizing Quebec's natural resources must be incorporated in the province, is bearing fruit. During the week ended July 31, 16 mining companies took out Quebec charters.

# Obalski Mining To Offer Rights

## Need Additional Funds to Further Underground Work

From Our Own Correspondent

MONTREAL. — Shareholders of Obalski Mining Corp. will be offered rights to purchase 200,000 shares at 16 cents a share, according to a statement issued by J. R. Giroux, president and managing director.

Developments on the property have now reached the point where it is necessary to raise additional capital in order to speed up operations on underground work and preparations for winter programme as recommended by the technical staff. For the sinking of the shaft, three shifts would be required instead of one as at present, and many cords should be cut in advance for the boilers before the winter months, as well as timber for the construction of additional buildings.

It is anticipated by the management that the results of the development work on the property in the next few months will conclusively prove the value of the property.

# Montreal Tax Hits Brokers

From Our Own Correspondent

MONTREAL. — Montreal's City Hall has put a fast one over on the brokerage fraternity. In years past city imposed a tax of $108 for a brokerage house, no matter how many members of the firm there were. This year the city is sending out bills, taxing individual members or partners of brokerage firms $100 each, plus the usual surtax of 8%, or $108 in all.

This means that a firm with five partners would be taxed $540 and not $108 as last year. In the case of United States brokerage firms that have branches in Montreal, each member of the firm will have to pay a tax of $108. As some of the New York firms have as many as 25 to 30 partners, the new tax becomes a more serious matter.

When the Montreal charter was being revised last year, a clause was inserted providing a levy of $1,000 on brokers who have not got a permanent place of business in the city. Somewhere between the City Hall and the Legislative Assembly the clause covering the previous $100 tax on firms that have permanent offices and are members of stock exchanges, was amended to read "stock brokers." As a consequence the City Hall now interprets this feature of its taxing powers to mean all stock brokers, not merely stock brokerage firms.

It is the intention of the brokers to appeal to the courts, if the city does not rescind the by-law.

## Mining Company Charters

**Celta Quebec Exploration Ltd.** — Que. incorp. June 25, 1937. H. O. Montreal. Auth. cap. 4,000 shares, n.p.v.

**Crow River Development Co.** — Dom. incorp. June 28, 1937. H. O. Ottawa. Auth. cap. 3,000,000 shares, n.p.v.

**Habel Montgay Mining Co. Ltd.** — Que. incorp. June 30, 1937. H. O. Senneterre, Que. Auth. cap. 5,000,000 shares, $1 par.

**Harfair Mining Co.**—B. C. incorp. July 9, 1937. H. O. c/o MacNeill, Norris & Pratt, Bank of Nova Scotia Bldg., 602 Hastings St. W., Vancouver, B.C. Auth. cap. 400,000 shares, 50 cents par.

**Kirmack Mining** — Que. incorp. July 5, 1937. H. O. Bourlamaque, Que. Auth. cap. 20,000 shares, $1 par.

**Orexplorers Corp.**—Que. incorp. June 15, 1937. H. O. Montreal. Auth. cap. 20,000 shares, $1 par.

**Sungold Prospectors Ltd.** — Que. incorp. July 2, 1937. H. O. Amos, Que. Auth. cap. 99,000 shares, $1 par.

**Vauquelin-Sifton Lake Mines (Quebec)**—Que. incorp. June 29, 1937. H. O. Noranda. Auth. cap. 149,000 shares, $1 par.

**CHANGE OF NAME**

**Sunset Mines Ltd.** — Will apply to the B. C. registrar of companies as of Oct. 22, 1937, for approval of a change of its name to "Ardale Investment Co."

**EXTRA-PROVINCIAL COMPANY**

**Fraser River High Bar Placer** — B. C. registration July 30, 1937. H. O. in B. C., Royal Bank Bldg., Vancouver, B.C. H. O. without province, 1909 Northern Life Tower, Seattle, Wash., U.S.A. Paid-up capital $10,000.

**Northern Gold Placers**—B. C. registration July 10, 1937. H. O. in province, 716 Hall Bldg., 789 Pender St. W., Vancouver, B.C. H. O. of company without province, 855 Empire Bldg., Seattle, Wash., U.S.A. Paid-up capital $43,156.

# Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

The service is confined strictly to regular subscribers

*A three-cent stamp and address label from The Financial Post must be enclosed. Address The Financial Post, 481 University Ave., Toronto 2.*

### Kirkland Gold Mines

Will you please let us know whether you have any record of the Kirkland Gold Mines, Ltd., incorporated under the laws of British Columbia. If the company is still in existence, we would be interested in obtaining a quotation for the stock.

Our records show that Kirkland Gold Mines, incorporated with a British Columbia charter in 1925 was struck from the B. C. register in 1929. The last address on our files is 211 Pemberton Building, Victoria, B.C., The company, when in existence, owned six claims in the Taging Station section, Atlin Division, British Columbia. The claim failed to respond to development work. There is no market for this stock as far as we are aware.

### Delosha Porcupine

Can you tell me anything about Delosha Mine?

Delosha Porcupine Mines is developing a prospect in Shaw twp., Porcupine district.

Latest reports on this property from C. O. Smokler, mine manager, are that a new porphyry dyke has been discovered which may have an important influence on future work. The main vein, traced for 1,000 feet, has been opened for 400 feet by surface blasting. Officials state that gold was panned from this vein but we have not seen any systematic assays. A second vein, traced for 800 feet and paralleling the main vein is also being blasted.

Work to date has been confined to surface. This means that no estimate of the company's potentialities can be made although preliminary results have been fairly encouraging. The property will need a great deal more development including an underground campaign before it emerges from the out and out prospect class.

The company is capitalized at 3½ million shares of which 1,200,000 were issued for property.

### Chromium Mining & Smelting

What is the tenor of the latest news from Chromium Mining & Smelting Corp.? What are its possibilities as an investment?

There has been little recent news regarding Chromium Mining & Smelting Corp. A full report from officials has been expected for several weeks. We understand that the company is still conducting a metallurgical test in connection with the production of chromium and that at this property underground development is being centred on blocking out the substantial tonnages indicated from diamond drilling.

Ore reserves indicated by this drilling in one area, amounted to about 225,000 tons of 17% chromite ore valued at roughly $2,825,000. Report of Government geologists has confirmed the fact that chromium does occur in large deposits on the company's property, but the speculative element in this stock centres around the company's ability to make this deposit commercial. We have no reason to believe that the management is not sincere and capable although they are virtually pioneering. Markets for all likely production is assured and the company is well financed.

### Consolidated Chibougamau

I find your news reports on mines most reliable, particularly in the case of such rumor-ridden stocks as Consolidated Chibougamau. I am interested in this stock, and would appreciate an analysis.

Operations of Consolidated Chibougamau Gold Fields are being concentrated on underground development of the company's Cedar Bay property in the Chibougamau area of Quebec. This work is being financed by Consolidated Mining and Smelting Company of Canada which has to date expended approximately $1,000,000 on this property, taking down shares in return. At June 25, 1937, a total of 165,000 shares remained under option to Smelters at $1 per share. Development to date has disclosed five veins on the 250-ft. level and one vein on the 500-ft. level. The veins so far developed are estimated to contain 55,625 tons of mineralized material averaging 0.27 oz. gold, 1.25% copper with an average width of three feet.

Of potential importance is the development at present being carried out on the 500-ft. level where apparently the most encouraging results have been obtained to date. The results here show an eight foot vein already drifted on for a length of 300 feet averaging 0.23 oz. of gold per ton, and 2.63% copper.

Consolidated Chibougamau Gold Fields is capitalized at three million shares, $1 par value, of which all is outstanding. The stock on which Smelters has consistently exercised its option is held in trust for the company.

As at Dec. 31, 1936, Consolidated Chibougamau showed current assets of $39,445 and current liabilities of $7,500, leaving a working capital of $31,945.

While this property is still in the prospect class, and the stock accordingly speculative, the large expenditure Smelters has made over a long period apparently indicates that this company is satisfied with result to date.

### Goodfish Mining Co.

Please supply us with as complete a report as possible on Goodfish Mining Co. whose stock is listed in Toronto.

Goodfish Mining Co. formerly owned outright a gold prospect in Morrissette twp., about three miles north of Kirkland Lake, Ont. In January, 1935, operations were suspended and in January, 1937, a 90% interest was sold for $100,000 payable in installments, $1,000 down and the balance over five years.

The company then acquired a group of claims in Strathy township, Temagami district of Ontario. Vendors will receive a 10% interest in the two million share Beanland Mining Co. Ltd. to be formed to take over this property.

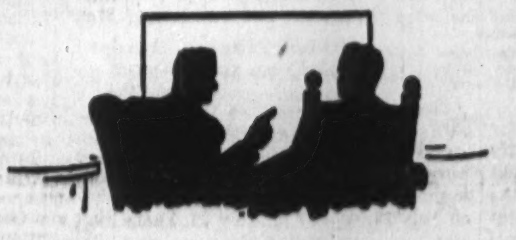
On the new property of Beanland Mining Co., surface exploration is officially reported to have revealed an ore shoot 160 feet long averaging $10.85 per ton in gold across a width of 4.6 feet. Silver is also reported to have been present. A three compartment shaft is being sunk to a depth of 500 feet. Crosscuts from the 155- and 325-ft. levels have cut the vein, values returned from the eight foot intersection on the 175-ft. level being shown as follows: $9.60 across 3.5 feet; $19.46 over two feet; $19 across two feet eight inches.

You can see from this that while initial results have been encouraging, this property remains a prospect, and is located in an area which has not to date been productive of any large scale mining operations.

Goodfish is capitalized at $3.5 millions in $1 par value shares of which $2,792,400 was issued as at June, 1937.

The company has given an option on one million shares, at prices ranging from 15 to 30 cents with payments of $15,000 and $10,000 monthly. The agreement calls for the payment of a 25% commission upon the proceeds of the first 250,000 shares taken up under the agreement. A previous option was terminated on August 20, 1936.

Balance of the option comprises 100,000 shares at 17½ cents per share; 150,000 shares at 20 cents; 125,000 shares at 25 cents and 125,000 shares at 30 cents.



A Dialogue on Moderation

**Mr. A:** It's my opinion, sir, there's a big gap in principle between moderation and prohibition.

**Mr. B:** Yes, moderation means the avoiding of extremes, being temperate in conduct . . . that sort of thing.

**Mr. A:** It's a matter of character, a matter of control: Prohibition denies that people can exercise self control.

**Mr. B:** Yes, but every decent citizen is agreed that young people should be protected from the abuse of drink.

**Mr. A:** And yet, those same decent citizens listen to the shouting of extremists who want to return to prohibition.

**Mr. B:** What about those figures . . . arrests, convictions, accidents, etc.

**Mr. A:** Mostly misinterpretations of conditions. Half-truths. Examine the situation fully and you'll realize that even with their occasional abuses, the beverage rooms are the best safeguards against the evils we all want to destroy.

**Mr. B:** But aren't you arguing in circles?

**Mr. A:** Yes—in a circle that goes back to 1916. Remember how I warned you that prohibition was going to make drinking a sport, and drunkenness a distinction? Have you forgotten already how this actually happened?

**Mr. B:** Who's talking about prohibition? Ontario has one of the soundest liquor control systems in the world.

**Mr. A:** Agreed. But the agitators who are trying to create a public demand for restrictions are forgetting that fact. They forget, too, the degrading conditions that existed under so-called prohibition.

**Mr. B:** I must admit there's a great deal in what you say, and rather than go back to the bad old days, I'd rather see young and old in public government controlled premises . . . drinking a wholesome mildly stimulating beverage like beer.

**Mr. A:** Right you are, and so would every other thinking citizen.

● *This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.*

# Workers Are Helped By Variety of Plans

## Welfare Schemes Meet Many Different Needs

*This is the second article on methods used by industrial employers to assure workers an increasing degree of contentment and security.*

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

The number of Canadian employers who believe that payment of wages and improvement of working conditions only partially discharge their obligations to employees is steadily growing. A sense of responsibility to make them strong strands in the social fabric of the nation is becoming recognized by nearly all employing groups.

There was a day when virtually all employers regarded themselves as quite normal, efficient and conscience-clear in buying labor power much as they buy electric power. They paid as little for it as their conscience, the temper of the workers, and prevailing circumstances would permit, and worked it as hard and as long as possible. Their interest and duty ceased when operations stopped at night and when the workers were paid off.

There were some who made provision at their discretion for employees who were injured, or were ill for long periods, or reached an age when work was no longer possible. But such provision was almost invariably at the whim of the employer, was often makeshift and could not be depended upon except in unusual cases.

**Established Policies**

That picture is radically changed. The great majority of the larger employing firms, and the medium and small-sized companies to an increasing degree, have made it a matter of permanent policy to advance the welfare of employees in every conceivable way. Even the best of pay is not enough, it is held, unless at the same time employees are assured of a contented life and reasonable freedom from anxiety about the future.

The earnest thought, imagination and ingenuity with which progressive employers have applied themselves to implementing these policies have produced an almost endless variety of plans for advancing employee welfare. In some cases the company may have adopted only one or two of the methods developed by industry generally. But in many instances, larger concerns are tending to set up in some form or another all the most prevalent schemes.

Extension of supplementary employee benefits and provision for worker security on a substantial, systematic scale appears to date to the post-war period. The foundations of the employee relation and employee welfare programme of some of the larger enterprises were laid in 1919 and since that time plans have been periodically extended and made permanent parts of the companies' operating policies.

**Enquiry in 1919**

The same year considerable impetus was given to plans for improved employee relations by the survey of the Royal Commission on Industrial Relations and the subsequent National Conference on Industrial Relations in Ottawa. Several of the methods developed in the past 18 years for discharging employers' responsibility to workers were suggested in a passage of the Royal Commission's report. This said:

"Without any extraordinary upheaval, policies may be adopted which will ensure the workers against want during temporary periods of enforced idleness because of unemployment, sickness or invalidity; and during old age.

"As a means of improving the relations between themselves and their employees, many employers have put into practice different profit sharing plans... In order that they may succeed it is essential that the recipients should be put in possession of the information necessary to enable them to judge whether they are getting a specified share of the profits or a mere dole."

**Not Substitute For Wages**

The Commission did not mention another requisite for profit sharing and other employee benefit plans which is generally stressed by labor relations experts and recognized by the more progressive companies: that any scheme or schemes should not be a substitute for good wages or decent working conditions, but should supplement and round out adequate basic compensation. It is pointed out that a poorly paid employee will find little assistance toward a satisfying and contented life in the present by assurance that he will get a pension when he retires or that his family will benefit from an insurance policy if he dies.

But assuming that basic pay and working conditions are good, such anchors of security as pensions, group insurance, sick pay and accident insurance, will go far toward giving workers contentment. And a check of the most active supporters of employee benefit plans shows that these anchors are the most prevalent methods adopted by Canadian industry. In recent years, systems for giving holidays with pay to hourly paid wage workers and for profit sharing in various forms have increased in number, but pension, life insurance and sickness-accident insurance plans are still the most popular.

In addition to retirement pensions for old age, some firms have disability insurance plans which protect the worker against loss of earning power regardless of whether the accident or illness is related to his employment or not. Accidents and sickness arising out of employment are, of course, covered by workmen's compensation laws in most provinces.

**Variety of Schemes**

Some of the other schemes by which employers seek to confer definite benefits on their workers, make their lives pleasanter, and give them security, are as follows:

Profit sharing, by bonuses, specified percentages of profits, or stock purchase discount plans.

Co-operative savings deposit plans, many of which involve supplementing by the employer of deposits deducted regularly from pay or the increasing of deposits by generous interest rates.

Employment stabilization, which has been embodied in systematic policies by only a limited number of companies, but is winning the attention and efforts of a growing number.

Encouragement of sports and recreation, and provision of facilities for sport, recreation and holiday diversion.

Establishment of employee representation and joint plant councils, to aid in learning of employees' problems.

Accident prevention and health promotion, in relation to both employment and home life, many companies spending considerable money and effort to supplement the safety promotion work arising out of workmen's compensation acts.

Provision of meals during working hours, sometimes free, or at cost or below cost.

Facilitating employee education, and sponsoring plans for vocational guidance and special training.

Arranging loans for personal purposes or for buying homes, often without interest.

Provision of merchandise or services produced by the employing firm, free or at a discount.

Special recognition and rewards for long service.

## *Fraser's Plans Making Headway*

From Our Own Correspondent

MONTREAL.—Present indications are that Fraser Companies will establish a pulp mill at Newcastle, N.B.

Surveys have already been instituted and soundings taken for the proposed mill on the old Sinclair mill property, within the town limits of Newcastle, near the northwest Miramichi Bridge.

# Drastic Changes In B.C. Health Bill

## Insurance Measure to Bear Little Resemblance to Original Act

From Our Own Correspondent

VANCOUVER.—When the British Columbia legislature finally approves a health insurance measure at the fall session the provisions will bear very little resemblance to the bill which was passed a year ago and failed of enforcement because of the opposition of medical men.

Judging from prevailing opinion in Government circles, the plan is to begin on a comparatively small scale. There will be no far-reaching plan embracing all parts of the province and all low-income persons. The scheme may be whittled down to purely local application in a few designated areas, or it may be made to apply to a restricted class. In any event, the legislators have no intention of putting themselves in the embarrassing position which they occupied this spring when medical opposition stalemated the whole scheme.

It is understood that the Government is working on a plan which will cover only a small percentage of the people previously considered eligible. The plan may cover only actual wage earners and not their dependents.

One faction is said to favor initiation of a few local schemes which would be convenient testing laboratories for a wider programme later. The idea behind this is that it would enable the Government to keep faith with the majority who voted in the plebiscite recently in favor of some form of health insurance while at the same time avoiding conflict with opposing interests.

# Ontario May Be Cool To Pulpwood Proposal

## Hard and Fast Agreement With Quebec on Control of Industry Believed Unlikely — Workable Limits Becoming Scarce

Further joint government control of wood pulp output in Ontario and Quebec as recently suggested by Premier Maurice Duplessis is declared both unnecessary and improbable by authorities interviewed by The Financial Post.

The Quebec premier declared that he was not going to let the recent substantial recovery in the newsprint industry be jeopardized by mushroom expansion. The industry had suffered enough during the depression from overgrowth and was only now getting on its feet. He added that a boom in sulphite pulp production would not be permitted. Co-operation in any new control measures was solicited from the sister province.

This gesture received the somewhat ambiguous response from Premier Mitchell Hepburn:

"We have been working together for some time on the newsprint question, and as a result we have been able to rehabilitate the industry in no small way. I hope to have a conference with Premier Duplessis, in the near future, regarding the administration of all natural resources in which we jointly and vitally are interested."

**Output Already Increased**

Sources close to the Ontario Government are extremely doubtful of any hard and fast agreement with Quebec in the matter of control. In view of the large expansion of pulp manufacturing facilities now under way in the Nipigon area of northwest Ontario, it is pointed out that such a move would be rather belated in any case. All available limits in this area have been taken up and output of pulp, particularly sulphite pulp for rayon, plastics and similar use is going to be greatly extended, once the mills commence manufacturing operations.

**Correctives Exist**

Most authorities consider that this and similar expansion in the sulphite field in Quebec is sufficient in itself to correct the present tendency toward higher prices. The opinion has already been expressed that the peak of sulphite prices has probably been reached. In any case this new production has been permitted and government steps toward limiting it now would be normally impossible. But it is also believed that any sharp drop in the price of sulphite pulp within the next year or so would quickly quench enthusiasm for further projects. Indeed even in investment circles it is openly admitted that production may outstrip demand for sulphite pulp though that is far from the case at the moment.

The long view, however, regards the new development in pulp marketing with satisfaction. Rise in the demand for sulphite pulp is really interpreted as a step toward diversification and stability. A few years ago there was virtually only one outlet for the higher grade pulp wood—newsprint. The northern industry rose and fell with the contraction and expansion of the daily and weekly newspaper. There were sudden booms to be followed in some cases by closing down of a newsprint mill for three, four and five years. Now there are two big outlets and if the demand in one eases it would not be very difficult to switch to the other.

But both in Quebec and Ontario the provincial governments control the switch. Forest limits are granted for specific purposes, for newsprint, sulphite pulp or lumbering. Mill operators must agree to these terms and also as to the annual amounts of manufactured production. They cannot make one thing one month and something else the next without the consent of the provincial authorities.

**Existing Control**

This gives the latter very wide control over the pulp industry and output and almost complete control when it is realized that almost every available and practical area of pulpwood country both in Ontario and Quebec has now been taken up.

If one were to approach either the authorities at Toronto or Quebec City with a cut and dried big pulp mill proposition, it is doubtful whether a sufficiently large limit and a suitable mill site could be provided. Even the pulp mills now going up in the Nipigon area could not be provided with new limits but in practically every case got their timber land as a result of prolonged negotiations and a rearrangement of old leases most of which had been held in reserve by other companies.

True there are vast areas uncolored on the timber maps, but there is no great water system tapping such areas. Logs must be floated out. Present prices even of $70 per ton for sulphite pulp permit no other method. Unless there are streams flowing into larger streams and eventually into some central basin where a railroad can bring in the necessary chemicals and a power line, the necessary electric current, these can be no pulp mill.

**50th Anniversary**

W. J. Scott of Gutta Percha & Rubber, Ltd., Toronto, celebrates at the age of 62 his 50th anniversary in the service of the company on Aug. 6. He joined the organization in 1887. He was then 12 years old. He is now head of Gutta Percha's mechanical goods division.

**$180,000 Property**

From Our Own Correspondent

MONTREAL. — During the year ended June 30 last, Jamaica Public Service spent nearly $180,000 on property account, bringing the investment in property, plant and equipment up to $4¼ millions.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